



THE ASSET DATA THREAD

# The Evolving Role of Field Service

SERVICEMAX POINT OF VIEW





The future of field service is complex. Industrial organizations have been heavily focused on transforming their service business in the areas of automation, operational rigor, and commercial success. Leaders no longer just see service as a profit center, they see service as an integral part of the outcomes they deliver to their customers and therefore an essential component of their enterprise profitability.

The field component of service is no longer just a repair or maintenance function. It is an essential part of the commercial intentions of the organization as well as a vital component of constructing the asset data thread on which business decision-making is based.



# Introducing the Study

To uncover details about the future of field service and the key trends that service leaders are focused on, Bain & Company (Bain) recently conducted a research project comprised of:

- 25 executive-level interviews with leaders of service
- An online survey of 283 field service engineers

As a result of the interviews and detailed research, Bain isolated 20 trends that were essential to the survival of all industrial organizations in the competitive service business landscape. These trends fell under three primary areas:

**Commercial** – Trends showing the increasing role that service plays in the discussion of customer value and in the growing portfolio of service-driven products and services

**Operational** – The foundational delivery elements of service incorporating evolving service interaction models

**Enablers** – The core resources and architectural framework that allow for the effective delivery of service and eventual construction of the services product portfolio

While all these trends are vital for the advancement of the service organization, Bain highlighted which trends were a priority for the service leaders. These organizations were those that outperformed others (Followers) in the areas of service growth, service margin, and customer satisfaction. These prioritized trends were put into three major categories based on their perceived level of importance as well as the maturity of organizations in supporting these trends.

## 1 Table Stakes Trends

- First-time Right Rates
- Safety and Compliance
- Standardization and Simplification of Process

## 2 High Potential Trends

- Data as an asset
- New Pricing Models
- Frontline Customer Service Skills and Operating Models

## 3 Longer-Term Trends

- AI and Automation
- Omni-Channel Service Delivery and E-Commerce Like Delivery
- Customer Feedback Incorporated into Continuous Improvement

# Field Service of the Future: Trends to Watch

Bain & Company isolated 20 trends that were essential to the survival of all industrial organizations in the competitive service business landscape.

## COMMERCIAL

New pricing models  
(e.g., outcome-based)

Cross- and up-selling enablement  
(right products, trainings, incentives)

## OPERATIONAL

Increased importance of first time right rates

Faster, "e-commerce-like" delivery improving customer experience

Increased focus on safety and compliance

Consistency across omni-channel service delivery

Seamless connection with up-stream processes (e.g., parts sup. chain)

Changes in operating models (e.g., stronger involvement of 3rd parties)

# FIELD SERVICE OF THE FUTURE

## Technology

Data as an asset  
(e.g., for dynamic pricing) and increased access to data

Cloud, mobile-enabled platforms for end-to-end coordination

AI & Automation  
(e.g., from predictive maintenance to optimized routes)

## People Talent

Digitally-enabled management and field force

Continuous improvement through Agile mindset and fast customer feedback loops

Increased importance of frontline change mgmt. and ongoing mgmt. of frontline workers

Increased importance of customer service skills for frontline workers

## Process

Increased standardization and simplification of processes

DevOps-based development process (as in software development)

Increased impact of customer feedback on continuous improvement of processes

## ENABLERS



# The Increasing Role of Service & Asset Data in Digital

In reviewing the direction of the research interviews and analyzing the responses from our customers and prospects, we have 6 major takeaways from the research.

## 1. Service Leaders Continue to Hammer on the Basics of Operational Performance and Are More Interested in Understanding the True Cost of Operational Success

While classified as table-stakes trends, these are the “must-have” foundational elements that service leaders continue to pursue to strengthen their service operations. With the foundation of operational and process rigor as reflected in

first-time right rates, improved asset uptime and increased compliance, service organizations can now move to the next stage of the value conversation with their customers. As a result, service organizations continue to focus on the digitization of work and automation of administrative tasks that free up their workforce to deliver on established service promises. Digitization also opens the door to the standardization of processes which is increasingly vital in the delivery of a consistent customer experience but also in creating a consistent framework for the collection of relevant asset and service data. An increasing area of focus for service leaders is understanding the true cost associated with delivery of service commitments. A better understanding of this allows for strategic decision making around resource allocation, technician training, and pricing of service offerings.

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## 2. Field Service Is One Part of a Service Delivery Continuum. Organizations Must Appropriately Activate New Service Modalities

Not every service request requires a field dispatch. In considering the cost of delivering outcomes, it might be more effective to have the customer self-serve their issue, use remote service, or rely on a service delivery partner. In addition, it might be more effective for the field organization to bring an asset or component back to a depot for repair as opposed to having it fixed in the field. The availability of these models not only impact the cost-of-service delivery but also the end customer experience. It is essential for service leaders to consider the type of experience they would like to deliver via a particular service modality and then ensure that the right resources and tools are available to deliver that experience.

## 3. Data Continues to Play a Role in Operational Improvement. Leaders Are Now Focused on Data for Prescriptive Support and Portfolio Rationalization

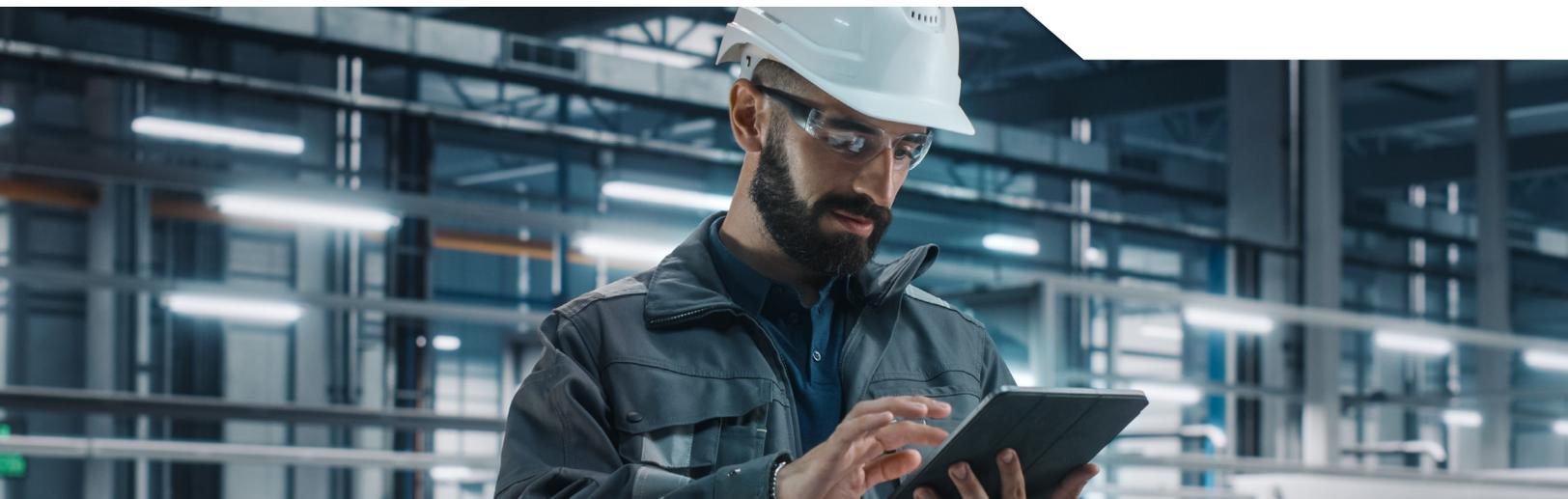
'Data as an asset' is an overused term. Most organizations believe that they have enough data but can't derive enough insight from their data. Others don't know where to focus their data

collection efforts. Data, in some ways, has become a burden. For service leaders, there are three primary areas where their data initiatives are focused.

Operationally, leaders are looking to find new ways to inject efficiency into their current service delivery processes or in shoring up new service delivery operations. This is also where they would like to make greater use of the possibilities afforded by Artificial Intelligence and other advanced automation.

Commercially, service organizations are looking to data to ensure that there is a control over revenue leakage and a better documentation of concessions when they are necessary. More so, service leaders are looking to identify points of customer value to strengthen or simplify their portfolio of service offerings. This could include a range of contractual commitments or a menu of add-on services that were traditionally bundled into service contracts.

From a customer-facing point of view, organizations are looking to become more prescriptive and proactive in their service interactions with customers. While investments are being targeted to enable predictive service, organizations are looking to arm themselves with the data to minimize customer disruptions and prepare customers for future issues before they occur. There is also a push towards documenting and communicating value to customers with the aid of better data. The intent is to change the conversation with the customer from one around cost justification to one around relationship growth.



## 4. Service Leaders Have Taken the Lead on Developing a Commercial Infrastructure for Their Organization—It's Not Just About New Contract Levels

We hear a lot about outcome-based contracts or equipment-as-a-service. Yet, the real examples of these engagement models are still hard to come by. That's not to say that organizations aren't planning for these, at least for a portion of their customer portfolio.

For commercial investments, service leaders are focused on four primary areas:

- Data analysis to support an improved margin analysis of asset performance as well as improved decision-making across the lifecycle of the asset.
- The extension of the field technician's role to incorporate commercial outcomes, from installed base recognition to lead capture to customer consultation.
- A cadre of service architects who are responsible for the formulation of new service offerings and for the value-based pricing of these offerings.
- A commercial infrastructure involving sales and marketing that is focused on extending and expanding service relationships.

## 5. Customer Feedback and Asset Data Will Drive Cross-Organizational Collaboration

For true success in an outcome-based environment, the responsibility for the delivery of outcomes or enhanced services cannot solely fall on the service organization. Products need to be designed with outcomes in mind, they need to be packaged, marketed, and sold with an outcome-focused framework, and the objectives of service delivery need to be aligned with the delivery of outcomes. As one service leader put it, "While we continue to track travel time and time to repair, our focus has shifted on time to system up. If we start promising uptime, then it only makes sense that we track how long it takes us to deliver that outcome."

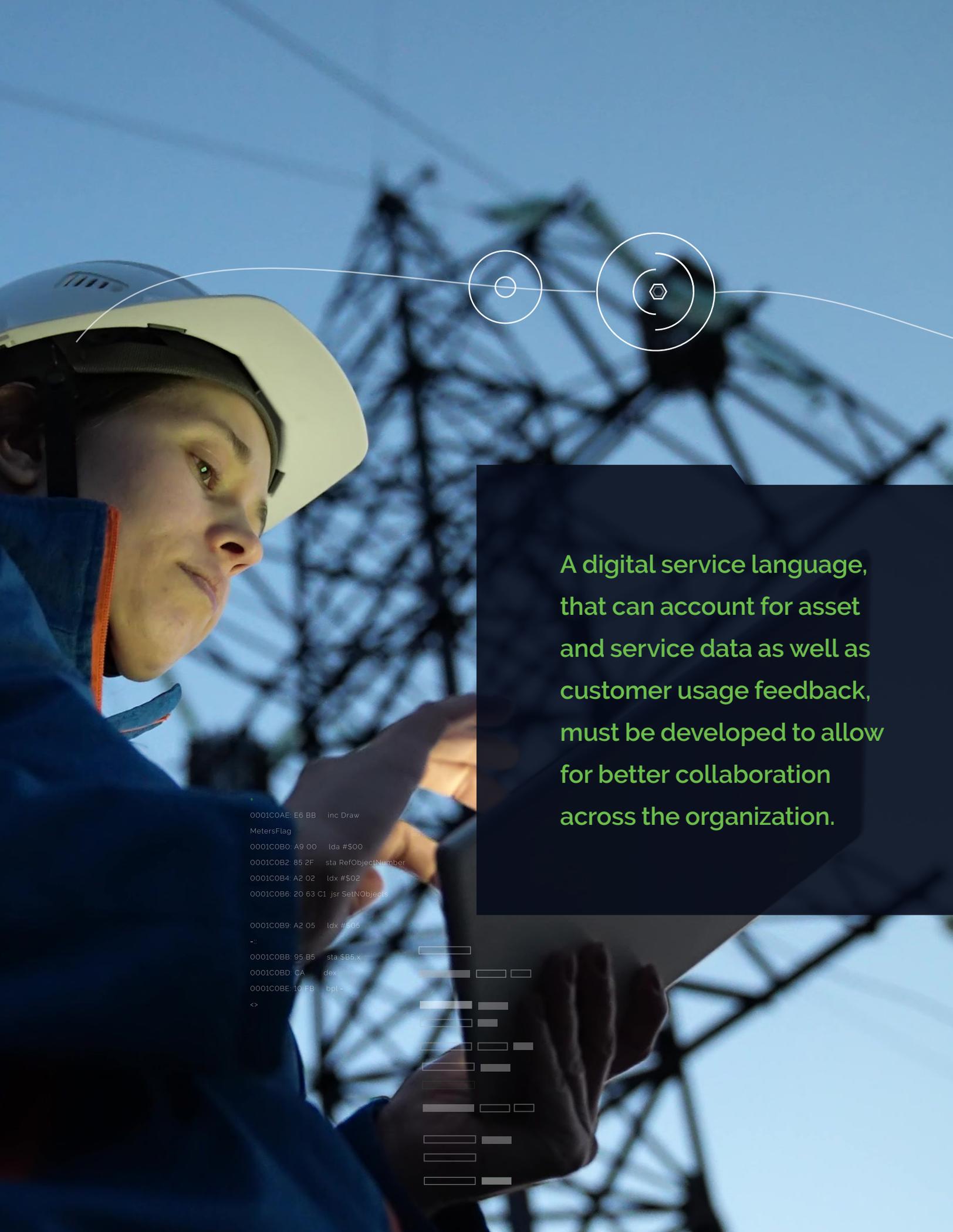
Cross-organizational collaboration around outcomes is extremely difficult for a variety of reasons, the primary of which is the siloed nature of various business groups. There is no alignment on incentives and a large proportion of stakeholders have no insight into the actual value of products delivered on customer outcomes.



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We strongly believe that solicited customer feedback, service transaction data and asset usage data, as a proxy for customer feedback, can serve as the essential threads to bring various organizational groups together.

If product design has better visibility into the reliability and maintenance of assets, then they can adopt a more feedback-driven improvement approach to the design of subsequent products. They can also work with IT to prioritize capabilities such as connectivity to allow for better asset information and serviceability in the future. More so, if sales and marketing can see what features and services are valued, then they can build offerings and campaigns to amplify value messages. A digital service language, that can account for asset and service data as well as customer usage feedback, must be developed to allow for better collaboration across the organization.



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MetersFlag  
0001COBO: A9 00 ldx #500  
0001COB2: 85 2F sta RefObjectNumber  
0001COB4: A2 02 ldx #502  
0001COB6: 20 63 C1 jsr SetNObjects

0001COB9: A2 05 ldx #505

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0001COBB: 95 B5 sta \$B5.x

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0001COBE: 10 FB opt

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## 6. Front-line Employees Need Assistance/Support to Accept Digital Disruption

The role of the field service technician continues to evolve. While their primary purpose continues to be the resolution of service requests, there is also a greater emphasis on using field engagements as way to fill data gaps and improve value conversations with customers. Given the expanding role and increasing array of tools available to technicians, there need to be a big emphasis on change management. According to Bain's technician-focused data, only 43% of technicians are excited about their future roles. In digging deeper, this is not due to a fear of being replaced by technology but more a concern that technology will place an undue burden and limit technicians from doing what they like to do: being able to help more customers. Only 53% of technicians think that the digital tools of today are easy to learn and use, and nearly a third of technicians do not understand why they are being asked to do certain things with the aid of technology.

The good news is that service leaders are getting through to their technicians in establishing the tools as a way of work as opposed to an addition to the way they work. Technicians at leader organizations are 42% more likely to indicate that they get the support they need to learn how to use new tools and technology. In addition, these technicians are significantly more likely to see the value in these digital tools in achieving key objectives such as the safe delivery of work and the solution of customer problems. Technicians are wired to solve customer needs and problems and need to see the bigger picture of how additional responsibilities and new tools are aligned with their central objective.

### Technician Concerns with the Future of Field Service



43%

are excited about their future roles



53%

think digital tools of today are easy to learn and use



42%

get support to learn new tools and technology



# 10 Steps Service Organizations Can Take to Be Prepared

As with most transformations, the number of desired initiatives doesn't often lineup with the resources available to execute on those initiatives. The following 10 actions are areas that organizations should prioritize to continue the path of service leadership.

## Operational

1. Invest in areas that reduce effort and improve ease of doing business. These apply to both internal and external stakeholders.
2. Advance operational metrics to incorporate desired customer outcomes.

## Technology

3. Enhance your common/digital service language to blend asset performance data with service resolution information.
4. Build the data foundation for future commercial offerings and begin by understanding the cost/profitability of service.
5. Strengthen your current installed base and asset data information to open opportunities for the next generation of tools and automation.

## Commercial

6. Tackle your service monetization and contract coverage opportunities while considering value-added services.
7. Incorporate asset usage data into broader feedback programs to truly identify opportunities for customer value.
8. Consider the role of the service architect as someone who can create the next iteration of your service portfolio in collaboration with organization-wide stakeholders.

## People

9. Increase reliance on peer-to-peer knowledge sharing and collaboration to augment training, learning, and upskilling programs.
10. Move away from the one-track technician career path and offer multiple paths of personal development.



## About the Author

Sumair Dutta is a renowned analyst and thought leader in the field service industry. His research and analysis have guided service leaders in enhancing their service operations and in transforming their businesses with digital technologies. His passion is in improving workforce engagement and the corresponding customer experience.

## About ServiceMax

ServiceMax's mission is to help customers keep the world running with asset-centric field service management software. As a recognized leader in this space, ServiceMax's mobile apps and cloud-based software provide a complete view of assets to field service teams. By optimizing field service operations, customers across all industries can better manage the complexities of service, support faster growth and run more profitable, outcome-centric businesses. For more information, visit [www.servicemax.com](http://www.servicemax.com).