



Aberdeen *Group*

The Field Service Optimization Benchmark Report

*Tapping the Service Supply Chain
for Profit and Competitive Advantage*

June 2004

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Executive Summary

This *Field Service Optimization Benchmark Report* quantifies the business benefits inherent in improved field service management strategies and procedures; benchmarks existing procedures for managing field service operations; and recommends specific actions for maximizing field service performance.

There is a sea change under way in the field service arena, from a tactical cost center to a strategic profit center. Winning service organizations are “optimizing” their field service operations by collaborating with their customers and leveraging field service automation technologies to improve operational efficiencies, profitability, and customer satisfaction levels.

Key Business Value Findings

- Strategic focus of field service is on the rise, as more than three-quarters of firms currently run or plan to run field service as a strategic operation with revenue and profit goals in place.
- In response to intense customer demand for quality service, enterprises are focusing their strategies on maximizing field service worker productivity.
- Hampered by insufficient metrics to gauge and improve field service performance, companies are tackling the challenge by targeting metrics that are directly tied to overall customer experience.

Implications and Analysis

The survey results point to a large and growing gap between best-in-class field service organizations and average companies. Best-in-class companies are capitalizing on the ability for excellent field service operations to drive margin, top line revenue and customer retention for their organizations. Survey results show that best-in-class field service organizations:

- Proactively monitor, diagnose and predict customer service requirements, versus waiting for breakages or outages to occur at the customer’s site
- Support real-time collaboration among stakeholders (call center, control desk, parts depot, field technician)
- Provide all stakeholders with access to the same real-time data
- Automate and synchronize all four field service components (people, process, parts, and data)

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Recommendations for Action

In addition to the best-in-class actions, companies should also evaluate their processes to ensure they effectively accomplish the following:

- Intimately understand and document criteria for customer delight and “reverse engineer” their field service organizations to meet or exceed these criteria
- Measure performance based on overall customer experience
- Foster a corporate culture and business processes oriented around client satisfaction
- Increase collaboration among internal stakeholders, especially call center, control desk, parts depot, field technicians, and accounting
- Eliminate paper- and spreadsheet-based processes, and consider Web, e-mail, and mobile technology solutions



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Chapter One: Issue at Hand

Key Takeaways

- There is a sea change under way in the field service arena, from a tactical cost center to a strategic profit center.
- Optimized field service delivery involves the coordination and synchronization of four key components: People, Parts, Process, and Data.
- To remain competitive, enterprises must intimately understand and document criteria for customer delight and “reverse-engineer” their field service organizations to meet or exceed these criteria.

Tumultuous, often technology-driven change has characterized many business processes in recent years, but one truism has remained constant: things break, and when they break, they need to be repaired. But repairs are just the beginning of services management, particularly for companies that deliver field-based services in asset-intensive industries like heavy manufacturing, utilities, and printing. In these and other industries, consistent availability of production equipment, facilities, and fleet assets is imperative to achieve production, revenue, profitability, and customer satisfaction objectives.

Historically, original equipment manufacturers (OEMs) have serviced their products — either directly or through a third party provider — on a reactive basis, responding to customer repair requests often after an outage or breakage has occurred. Thus, enterprises have treated their field service organizations as a necessary cost of doing business.

Companies that provide repair, maintenance, and other field-based services can no longer afford to treat post-sales service and supply chain management as an afterthought. Aberdeen research indicates that after-sales service accounts for 10% to 40% of revenue for many industrial and service companies and up to 50% of inventory investment. Still, many firms servicing equipment, facilities, and other high-tech and industrial assets rely on outdated, inefficient processes for managing call logging and tracking, work scheduling, contract and warranty management, and service parts management.

Winning service organizations are proactively and predictively supporting their companies’ products, often aided by field service automation technologies, and are collaborating with their customers to improve operational efficiencies, profitability, and customer satisfaction levels. Optimized field service delivery involves the effective coordination and synchronization of four critical elements:

Winning service firms are collaborating with their customers and leveraging field service automation technologies to improve operational efficiencies, profitability, and customer satisfaction levels.



1. People (i.e., call center, control desk, field workers)
2. Parts (i.e., service parts inventory management)
3. Process (i.e., operational hand-offs, client interactions, logging/reporting, after-market up-sell/cross-sell)
4. Data (i.e., contract/warranty, service level agreement)

Firms that achieve this breadth of coordination and synchronization are not only squeezing latency and costs out of their field service operations but also consistently retaining more customers and edging out competitors. In essence, they have “optimized” their field service operations.

Chapter Two: Key Business Value Findings

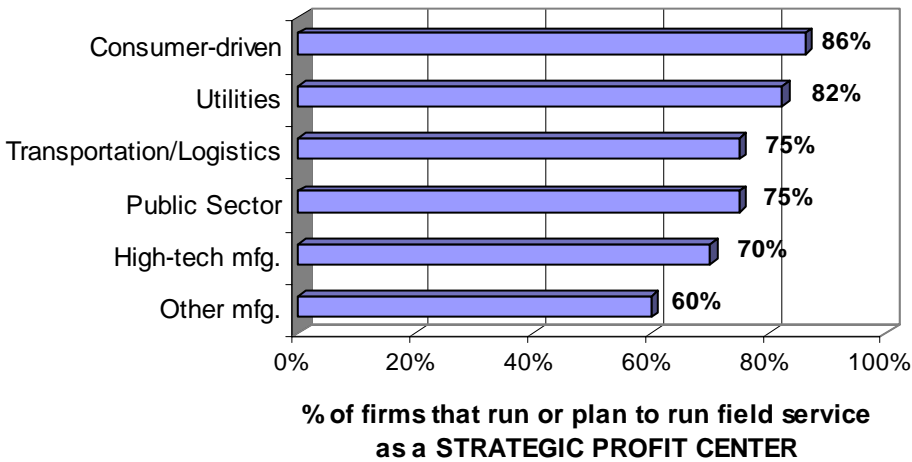
Key Takeaways

- Strategic focus of field service is on the rise, as more than three-quarters of firms currently run or plan to run field service as a strategic operation with revenue and profit goals in place.
- In response to intense customer demand for quality service, enterprises are focusing their strategies on maximizing field service worker productivity.
- Hampered by insufficient metrics to gauge and improve field service performance, companies are tackling the challenge by targeting metrics that are directly tied to overall customer experience.

Long considered a tactical cost center, field service is fast becoming a strategic focus among enterprises. Sixty-one percent of polled companies said field service is currently a strategic operation with revenue and profit goals in place; while another 17% said field service, while not currently a strategic operation, would be so in the future.

Consumer-driven and utilities firms are at the crest of the wave of firms that are running or planning to run field service as a strategic profit center (Figure 1).

Figure 1: Consumer-Driven Firms Lead Strategic Field Service Push



Source: Aberdeen Group, June 2004

Furthermore, 56% of firms consider improving field service operations a high priority relative to other corporate initiatives, and more than half said this priority level has increased over the past 12 to 24 months.



Pressures, Actions, Capabilities, Enablers (PACE)

What is behind this increased focus and priority? Demanding customers. Enterprises ranked demanding end-customers as the strongest driving pressure behind their decisions to optimize field service operations, in the context of Aberdeen’s PACE (pressures, actions, capabilities, enablers) analytical framework (Table 1). Seventy-two percent of firms classified this pressure as a top priority, versus 56% that chose shrinking profit margins and 52% that selected competitive pressures.

In response to these external forces, companies are setting strategies and taking actions primarily around maximizing field service worker productivity. The reason: it is the proverbial “low-hanging fruit.” Deficiencies in overall field service quality and customer satisfaction can frequently be pinned on inefficient management of technician skills, availability, and locale.

So it is not surprising that 71% of firms cited increasing worker productivity as their primary strategy for optimizing their field service operations, and 59% specifically noted connecting field personnel to the back office as a means to this end.

Table 1: Prioritized Field Service Management PACE

Priorities	Prioritized Pressures	Prioritized Actions	Prioritized Capabilities	Prioritized Enablers
1	Demanding end-customers	Increase worker productivity	Build a customer service-centric organization	Customer relationship management
2	Shrinking % profit margins	Connect field personnel with back office	Integrate business processes	Work order scheduling/tracking
3	Pressure from competing firms	Focus on Cross- and Up-sell opportunities	Establish performance management procedures	Service inventory and logistics management
4	Contract/warranty compliance	Track warranties and SLAs	Train field workers	Enterprise resource planning
5	Mandates for service parts inventory cost reductions	Plan field service inventory positions	Provide visibility into inventory levels and locations	Homegrown solutions
6	Government regulations (e.g., 13 SEER)	Outsource some/all of field service operations		Mobile software and hardware devices



PACE Key

Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:

- *Pressures* — external forces that impact an organization's market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)
- *Actions* — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product/service strategy, target markets, financial strategy, go-to-market, and sales strategy)
- *Capabilities* — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products/services, ecosystem partners, financing)
- *Enablers* — the key functionality of technology solutions required to support the organization's enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)

Source: Aberdeen Group, June 2004

Case Study: British Telecom Increases Worker Productivity

Manual scheduling processes at European juggernaut British Telecommunications (BT) resulted in inefficient job allocation, redundant travel, excessive downtime, and high management costs.

Reliant on thousands of field engineers with varying aptitudes to serve more than 20 million corporate and residential customers, BT took steps to automate field worker management in order to increase overall productivity. Its chosen solution now accounts for inter-job dependencies, enforcing the ideal chronology of job completions, matches job requirements with skill sets, and modifies work schedules based on dynamic data inputs from the field.

As a result of these initiatives to optimize the “people” component of field service management, BT has achieved 95% utilization among its field engineers, and has introduced differentiating customer service programs that promise same-day issue resolution.

Challenges and Responses

Standing in the way of optimized field service delivery, according to survey respondents, are insufficient metrics to gauge and improve field service performance and disjointed processes across CRM and service inventory management (Table 2).

All too often, field service organizations measure their performance based primarily on compliance with service level agreements (SLAs). Granted, this is a critical data point to consider, but consistent customer satisfaction depends on the overall customer experience, not just on repair-window accuracy.

Companies are responding to the challenge of inadequate metrics by studying not only service response times, but also such data points as time-to-invoice, per-technician call



capacity, time-to-collection, cross-selling/ up-selling revenues, and dispatch center efficiency/utilization.

Field service organizations facing disjointed processes across CRM and service inventory management tackle this challenge by integrating internal business processes. High-tech manufacturers reportedly struggle the most with this challenge, as 58% of respondents in this sector would attest.

Table 2: Field Service Challenges and Responses

Challenges	% Selected	Responses to Challenges	% Selected
1. Insufficient metrics to gauge and improve field service performance	48%	1. Define and track performance metrics that are tied directly to overall customer experience	55%
1. Disjointed processes across CRM and service inventory management	48%	2. Integrate internal business processes	53%
3. Insufficient deployment and/or integration of technology infrastructure (e.g. mobile applications)	46%	3. Deploy supporting technology infrastructure (e.g. mobile applications)	37%
4. Lack of data availability and visibility for all stakeholders	39%	4. Gain a better understanding of criteria for customer delight	36%
5. Strategic focus of field service lacks executive buy-in	24%	4. Train field workers to capitalize on cross sell and up sell opportunities	36%
6. Underutilized field workers	20%	6. Provide visibility into inventory levels and locations	19%

Source: Aberdeen Group, June 2004

Chapter Three: Implications and Analysis

Key Takeaways

- Best-in-class field service organizations proactively diagnose and predict customer service requirements.
- Best-in-class field service organizations support real-time collaboration among stakeholders.
- In best-in-class field service organizations, all stakeholders (call center, control desk, field worker) have access to the same real-time data.
- In best-in-class field service organizations, all four field service components (people, process, parts, and data) are automated and synchronized

As shown in Table 3, survey respondents fell into one of three categories – Laggard, Industry Average, or Best in Class — based on their characteristics in four key categories: (1) process (responsiveness to customer needs, field service metrics in place); (2) organization (corporate focus/philosophy, level of collaboration among stakeholders); (3) knowledge (visibility into technician and inventory data, currency, and accuracy of data); and (4) technology (scope of field service automation, productivity tools).

In each of these categories, survey results show that the firms exhibiting best-in-class field service characteristics also enjoy best-in-class customer service and financial performance (Table 3).

Table 3: Field Service Competitive Framework

	Laggards	Industry Average	Best in Class
Process	<ul style="list-style-type: none"> • Unresponsive to customer repair and maintenance needs • Limited metrics in place to measure field service excellence 	<ul style="list-style-type: none"> • Reactive to customer repair and maintenance needs • SLAs serve as primary metric for measuring field service excellence 	<ul style="list-style-type: none"> • Proactively diagnose and predict customer service requirements • Overall customer experience serves as primary metric for measuring field service excellence
Organization	<ul style="list-style-type: none"> • Corporate values revolve around product innovation • Limited collaboration among stakeholders 	<ul style="list-style-type: none"> • Corporate values revolve around operational excellence • Some collaboration among stakeholders 	<ul style="list-style-type: none"> • Corporate values revolve around customer satisfaction • Real-time collaboration among stakeholders



	Laggards	Industry Average	Best in Class
Knowledge	<ul style="list-style-type: none"> Limited visibility into field personnel capacity and inventory availability No stakeholder (call center, control desk, field worker) has the most current and accurate view of business data 	<ul style="list-style-type: none"> Some visibility into field personnel capacity and inventory availability Data visibility declines in currency and accuracy moving from call center, to control desk, to field worker. 	<ul style="list-style-type: none"> Real-time visibility into field personnel capacity and inventory availability All stakeholders (call center, control desk, field worker) have access to the same real-time data
Technology	<ul style="list-style-type: none"> Zero to one of the four field service components (people, process, parts, and data) automated Spreadsheet-based status and tracking tools 	<ul style="list-style-type: none"> Two to three of the four field service components (people, process, parts, and data) automated and synchronized Web and e-mail-based status, tracking, and communication tools 	<ul style="list-style-type: none"> All four field service components (people, process, parts, and data) automated and synchronized Mobile on-demand status, tracking, and communication tools

Source: Aberdeen Group, June 2004

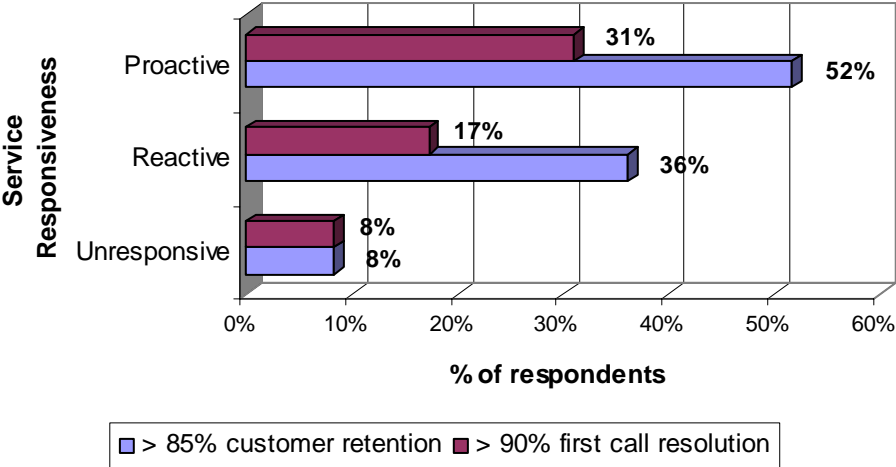
Process

In the process category, firms that proactively diagnose and predict customer service requirements and that measure field service excellence based on overall customer experience consistently performed better than firms that are reactive or unresponsive to customer requirements and that have limited field service metrics in place.

Firms that proactively diagnose and predict customer service requirements enjoy much higher levels of customer retention.

Indeed, more than half of firms that proactively diagnose and predict customer service requirements have greater than 85% customer retention; versus firms that reactively respond to customer repair and maintenance needs, of which slightly more than one-third saw this level of retention (Figure 2).

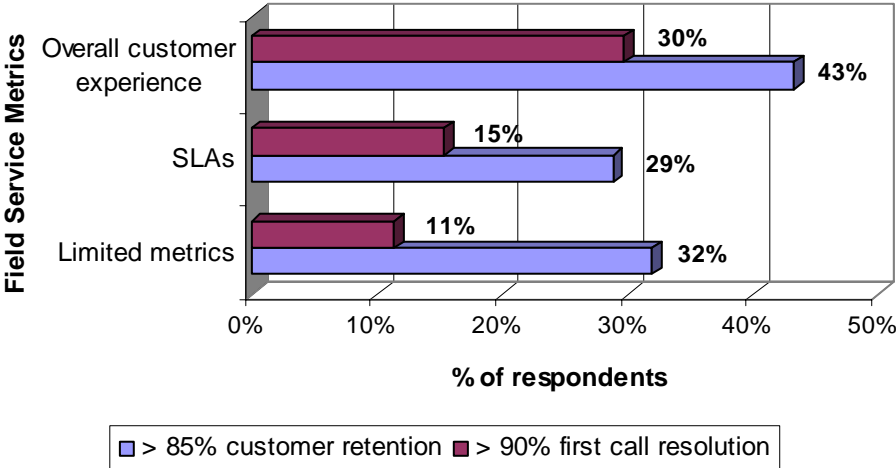
Figure 2: Proactivity Reaps Rewards



Source: Aberdeen Group, June 2004

Similarly, firms that measure field service performance based on overall customer experience enjoy higher retention rates than firms relying solely on SLAs or other limited metrics, and they also achieve a higher rate of first-call issue resolution (Figure 3).

Figure 3: Metrics Tied to Success



Source: Aberdeen Group, June 2004



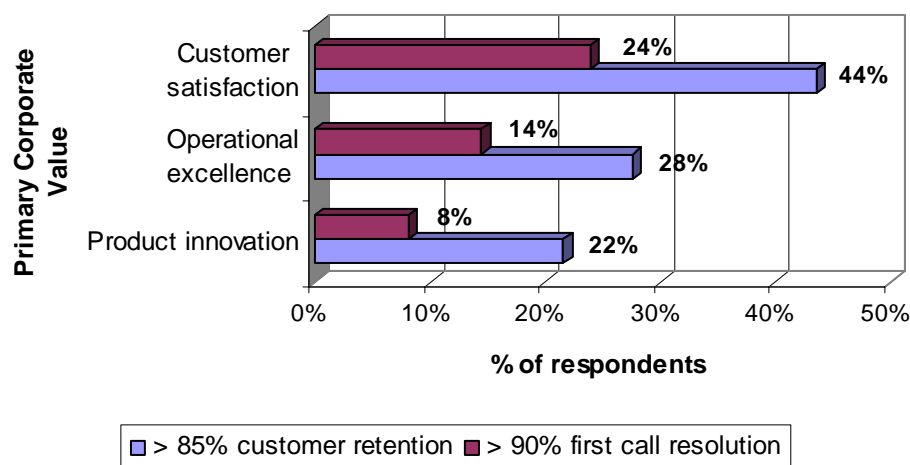
Organization

An enterprise's underpinning corporate philosophy significantly impacts its field service management performance.

Companies organized around a value system focused primarily on customer satisfaction — versus alternatives like operational excellence or product innovation — tend to realize higher customer retention rates and a better first-call resolution success rate (Figure 4). Granted, changing a corporate culture can be a complex and risky endeavor, but service-oriented firms can strengthen their customer satisfaction focus by working on the following objectives:

- Build and maintain skill levels of field technicians
- Compensate field and back-office service workers based on client satisfaction metrics
- Track customer preferences and requirements over time and make adjustments to drive retention

Figure 4: Corporate Philosophy Drives Service Gains



Source: Aberdeen Group, June 2004

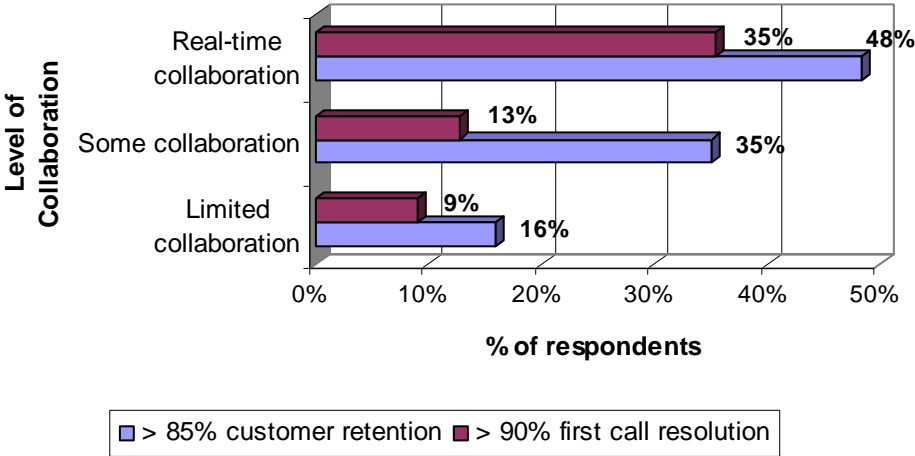
Successful field service delivery depends on the careful coordination of several stakeholders across the organization. Customer service representatives — whose duties include call logging; SLA verification; and issue diagnostics — must have a direct link to dispatchers — whose duties include job requirements review; part, tool, and technician planning/scheduling; and customer preference validation.

Likewise, dispatchers must have a seamless connection with field service technicians — whose duties include issue resolution; administering customer transaction; and up-/cross-selling — and technicians must be able to interface with the parts depot workers — whose duties include inventory management and part returns and warranty management.

Accounting department workers must have visibility into all of these constituencies, in order to process transactions, allocate service call costs, and update time and expense reports and part sales histories.

Needless to say, any latency built into these inter-departmental exchanges erodes efficiency, profitability, and customer satisfaction. Firms that can establish real-time collaboration among critical stakeholders consistently retain more customers and resolve more service calls on the first visit (Figure 5).

Figure 5: Level of Collaboration Linked to Field Service Wins



Source: Aberdeen Group, June 2004

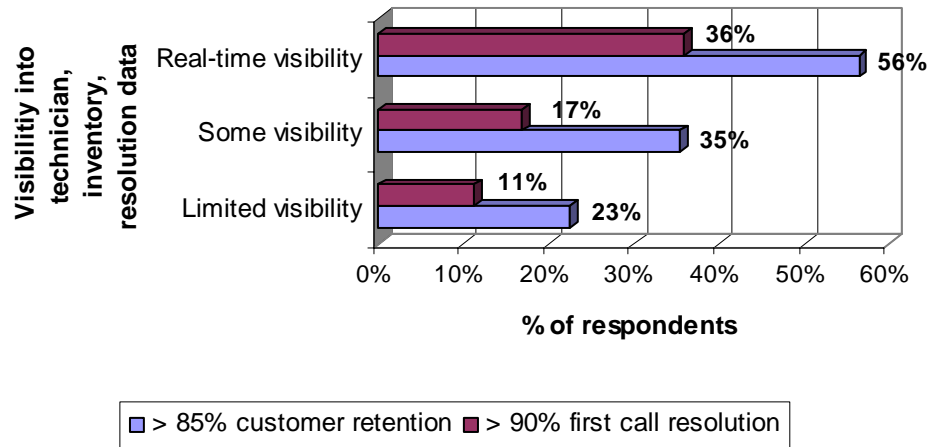
Knowledge

Vast quantities of data and intellectual property support most field service organizations, all of which needs to be dynamically captured, stored, shared, and updated. Herein lies the Achilles’ heel of many field service operations, 83% of which have limited to moderate visibility into field personnel capacity and service parts inventory availability, according to this study.

Much more than half of firms that provide real-time visibility into this and other supportive data, such as service and repair instructions, enjoy greater than 85% customer retention, versus firms that can only manage limited data visibility, of which less than one-quarter saw this level of retention (Figure 6).



Figure 6: Data Visibility Drives Field Service Operations



Source: Aberdeen Group, June 2004

Case Study: Pratt & Whitney Profits from Data Visibility

Backed by the corporate credo, “number one in customer service,” jet engine manufacturer Pratt & Whitney faced a particularly arduous customer service challenge when it set out to improve the efficiency and reduce the costs of its maintenance operations. Engine technicians were wasting too much time looking for accurate and current product support information, including parts catalogs and service bulletins.

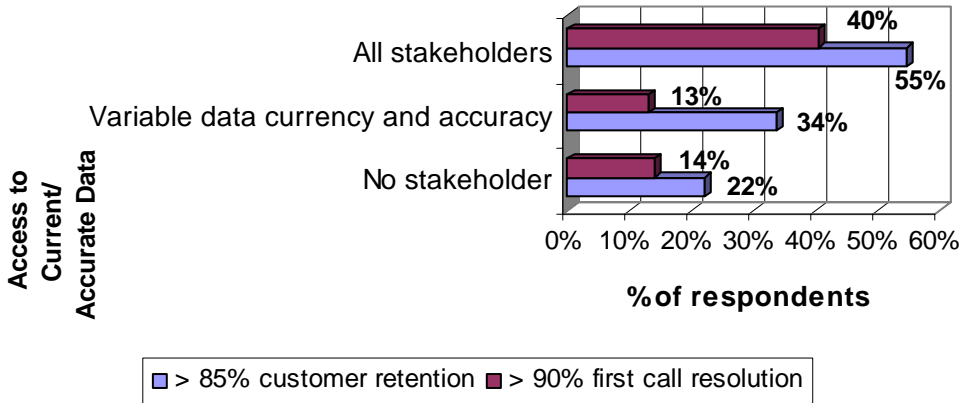
This dilemma is all too common, as 60% of Aberdeen survey respondents said that data visibility declines in currency and accuracy moving from call center, to control desk, to field worker. Another 22% said that no single stakeholder has the most current and accurate view of business data.

For its part, Pratt & Whitney began by delivering more than 50,000 pages of product support information electronically, for one of its engine series. This enabled field technicians to quickly search catalogs and service bulletins and to incorporate airline-specific changes into master documentation.

This bodes well for Pratt & Whitney’s chances to fulfill its credo, as 55% of firms that equip all field service stakeholders with current and accurate data retain more than 85% of their customers, versus firms that are reliant on out-of-date or inaccurate data, of which a maximum of one-third saw this level of retention (Figure 7).

As a result of its efforts in data digitization and dissemination, Pratt & Whitney has seen marked improvements in field worker productivity, field service costs, and customer satisfaction.

Figure 7: Stakeholders Need Access to Data



Source: Aberdeen Group, June 2004

Technology

Pratt & Whitney could not have made the strides it did in field service without leveraging technology solutions. Optimized field service delivery involves the coordination and synchronization of four key components — people, parts, process, and data — which is an impossible feat without some measure of technology support.

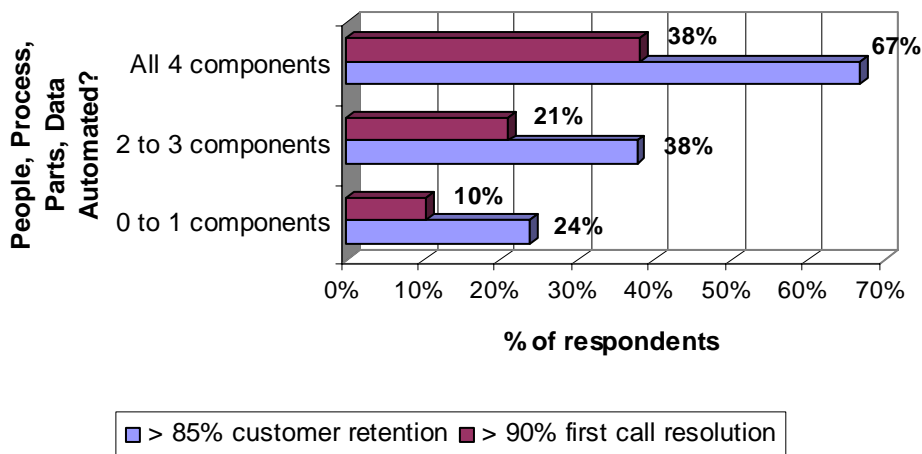
As Pratt & Whitney, British Telecommunications, and other firms can attest, there are tremendous gains to be made by attacking one or two of these components. But to achieve the greatest efficiencies and to capture all the potential value within a field service operation, firms should construct the necessary linkages among all four components.

As one survey respondent in the high-technology sector noted, “Most field service applications are about automating the dispatch, repair, logistics, and reports. Very [few] focus on real-time management of the dispatch messaging and how communications technologies can proactively automate the entire field service process front to back.”

Indeed, nearly 70% of firms that have automated and synchronized these four components have greater than 85% customer retention, versus firms that have automated and synchronized none or one of these components, of which less than one-quarter saw this level of retention (Figure 8).



Figure 8: With Automation, Scope Matters



Source: Aberdeen Group, June 2004

Taken as a whole, companies are not bullish on investing in most field service-related technology over the next year or two. But they are not entirely dormant either. Leading firms are opportunistically focusing on customer relationship management (CRM) and mobile solutions (Table 4).

Table 4: Field Service Technology Investments in Next 12-24 Months

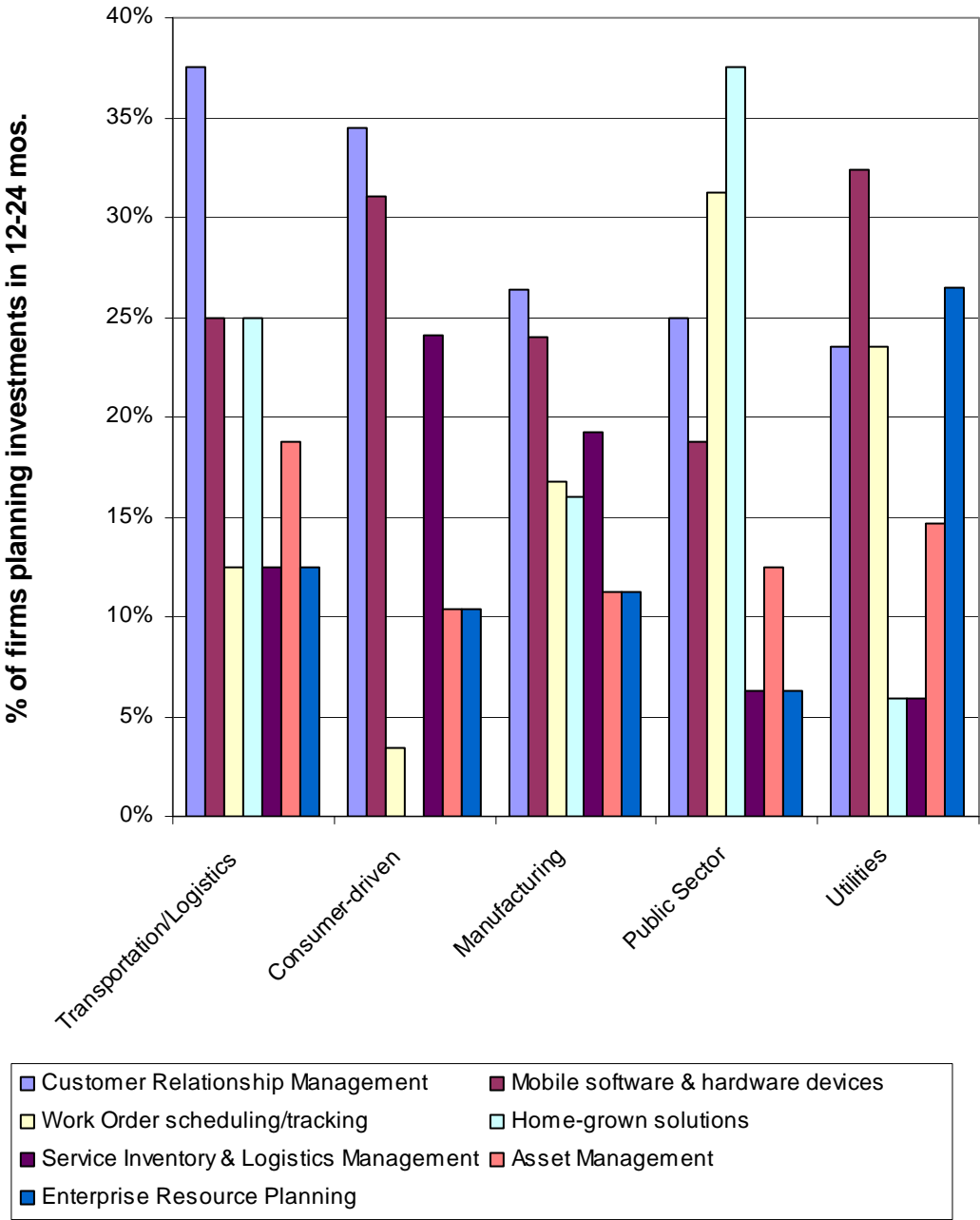
Technology Solution Area	% Selected
Mobile software and hardware devices	22%
Customer Relationship Management	22%
Work Order scheduling/tracking	18%
Home-grown solutions	13%
Enterprise Resource Planning	12%
Service Inventory and Logistics Management	12%
Asset Management	10%
Contract and Warranty Management	9%
Sourcing	8%

Source: Aberdeen Group, June 2004

Across all polled industry categories, except for utilities and public sector, CRM is the leading solution investment category (Figure 9), with transportation/logistics firms on top (38% have planned investments).

Mobile software and hardware solutions are second to CRM in most sectors, but they are number one among service-driven utilities firms (32% have planned investments). Consumer-driven and transportation/logistics companies are also targeting investments in mobile field service solutions, though not as aggressively as utilities firms.

Figure 9: Industry-Specific Technology Purchase Plans



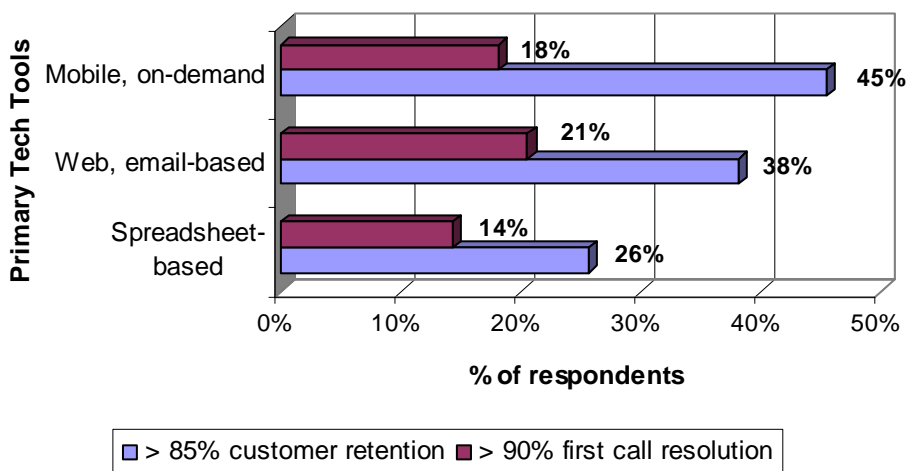
Source: Aberdeen Group, June 2004



Handheld devices enable field technicians to receive data on everything from service bulletins to customer preferences and to transmit data on parts, warranties, and invoices. They have the potential to dramatically build and strengthen the critical linkages among the four field service components.

The fact is that survey respondents who use mobile, on-demand status, tracking, and communication tools reported higher levels of customer retention than those firms that rely on Web, e-mail, or spreadsheets (Figure 10).

Figure 10: Mobility Provides Boost



Source: Aberdeen Group, June 2004

Chapter Four: Recommendations for Action

Key Takeaways

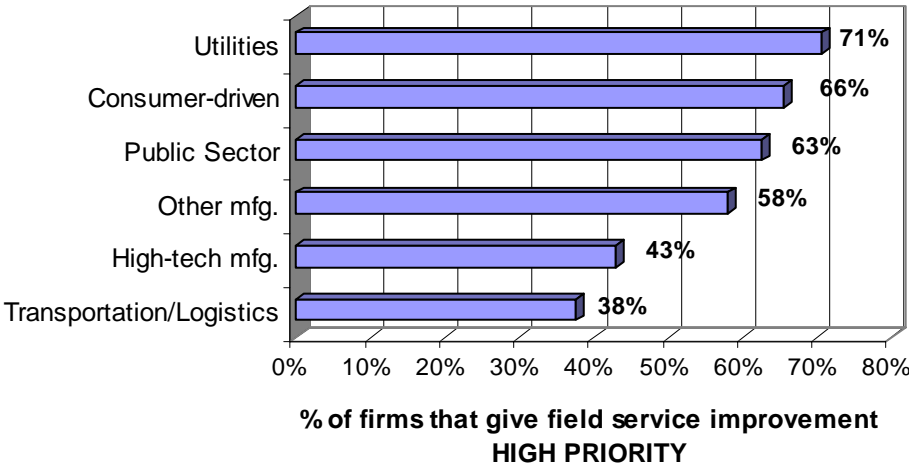
- Firms in which field service is critical to business continuity should aggressively pursue field service optimization.
- To improve customer satisfaction and cost efficiency, automate and synchronize as many of the four field service components as possible (people, process, parts, and data).
- Proactivity, collaboration, and process synchronization are among the keys to field service success.

Cost, revenue, profitability, and customer satisfaction benefits await all firms that are committed to optimizing their field service operations. But the aggressiveness of recommended improvement activities depends in large part upon the industry in which an enterprise competes.

In certain industries — such as utilities, medical devices, and some consumer-driven industries — where efficient field service delivery is critical to business continuity, customers can and will be won and lost based on differentiated field service operations. Thus, firms in these industries should constantly strive to improve their field service organizations.

Understandably, utilities firms are leading the pack with regard to giving field service improvements top billing (Figure 11).

Figure 11: Utilities Firms Focus on Field Service Improvement



Source: Aberdeen Group, June 2004



Seven Steps to Success

Whether a company is trying to gradually move its field service organization from “Laggard” to “Industry Average,” or more aggressively from “Laggard” or “Industry Average” to “Best in Class,” the following actions will help spur the necessary performance improvements:

1. *Proactively monitor and fulfill customer requirements, versus waiting for break-ages or outages to occur at the customer’s site*

This can be accomplished through predictive monitoring technology solutions, as well as by empowering technicians to leverage break/fix service calls to address other upcoming and past-due maintenance needs while on the customer’s site.

2. *Measure performance based on overall customer experience*

Many field service organizations fall short of best-in-class status because their performance metrics are too constrained. Overall, customer experience includes not only tangibles like SLA compliance, but also intangibles like technicians’ adherence to unique customer preferences.

3. *Foster a corporate culture and business processes oriented around client satisfaction*

If business processes are not built and followed with the customer’s needs at the core, then consistent client satisfaction is at risk. In addition, field and customer service personnel must not only be encouraged, but also specifically compensated to deliver client satisfaction.

4. *Increase collaboration among internal stakeholders*

Customer service representatives, dispatch desk workers, parts depot workers, and field service technicians must leverage online and mobile technologies to ensure seamless, error-free communication and data transmission. An out-of-sync service team can lead to costly latencies and mistakes, eating into a firm’s overall profit margins.

5. *Support all critical stakeholders’ visibility into current and accurate data*

All customer, inventory, and service data should be stored centrally, updated dynamically, and shared universally. Wherever possible, ensure single-entry of data to avoid re-entry errors.

6. *Automate and synchronize as many of the four field service components as possible (people, process, parts, and data).*

Accurate and current business data must underpin the automation and synchronization of field service people, process, and parts. If necessary, start with the low-hanging fruit and work to improve efficiencies in technician scheduling.

7. *Eliminate paper- and spreadsheet-based processes, and consider Web, e-mail, and mobile technology solutions.*

Outdated or lack of appropriate technology will breed error and inefficiency within a field service organization. Once clear business and customer require-



ments are in place, consider leveraging or expanding existing technology investments.

In addition to increased customer retention and higher incidence of first call resolution, taking the above steps can directly impact a company's overall costs, revenues, and profitability.



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FieldCentrix

As a pioneer in field service automation, FieldCentrix® Inc. has established deep domain expertise in real-time mobile and wireless technology, and offers the most advanced customer service lifecycle management-focused solutions in the industry. Its FieldCentrix Enterprise software suite strategically supports global organizations that want to automate key service processes and optimize mobile workforce resources to better control operational overhead and proactively increase customer service visibility, value, and revenue.



FieldCentrix specializes in delivering Web-based field service management solutions for several market sectors including manufacturing, industrial equipment, automation controls, medical devices, high technology, communications, real estate services, and building trade services. With sales offices throughout North America and Europe, FieldCentrix's client base is growing rapidly and includes such enterprise-class organizations as Honeywell, Praxair, and SourceOne Healthcare Technologies, to name a few.



Indus

Indus is a leading provider of service delivery management (SDM) solutions, which help clients in a broad array of industries optimize the management of their customers, assets, workforce, spare parts inventory, tools and documentation in order to maximize performance and customer satisfaction while achieving significant cost savings. Indus customer, asset, and field service management software products; professional services; and hosted service offerings improve our clients' profitability by reducing costs, increasing revenues, improving service to their customers, and improving the overall efficiencies of their operations.

The Indus Field Service Suite has been designed to maximize the effectiveness of a field workforce through optimized scheduling and dispatching resulting in decreased operating costs, increased revenues, and improved customer loyalty.

Indus solutions have been purchased by more than 400 companies in more than 40 countries, representing diverse industries — including manufacturing, utilities, telecommunications, government, education, consumer packaged goods, transportation, facilities, property management, and more. For more information, visit <http://www.indus.com>.



Servigistics

Servigistics is the preferred provider of global service parts management solutions that enable companies to transform their service networks and dramatically reduce costs, increase profitability, and drive customer loyalty to new levels. This is accomplished by enabling companies to ensure the availability of the right part at the right place at the right time for the right price which is critical to delivering profitable, world-class service. Servigistics has a proven track record of delivering top and bottom line value to global leading companies including Avaya, Cray, Dell, EMC, Honeywell, IKON Office Solutions, InFocus, Subaru, Toshiba Medical, UPS and others. Servigistics is a privately held company headquartered in Atlanta with offices in London, Tokyo, with sales and service professionals located around the world.



Servigistics offers the only comprehensive service parts management platform that delivers value across the extended service network through planning, visibility and profitability solution suites. Servigistics provides more value through effective service parts management than any other company while positively impacting cash, revenue, profitability, customer satisfaction and consequently shareholder value.

- *Breadth & Depth* — Servigistics provides the broadest and deepest portfolio of solution suites for service parts management, enabling clients to rely on a single partner for critical service parts needs.
- *Single Global Solution* — Servigistics provides the only truly global solution for service parts management. While others claim to provide a global solution, Servigistics has the only proven track record of global, service network-wide deployments.
- *Platform for Innovation* — The Servigistics solution suites are built on a proven, highly scalable and flexible, Web-native technology platform that provides visibility and connectivity for key stakeholders across the extended service network.
- *Fastest Time-To-Value* — Servigistics delivers the industry's fastest time-to-value for clients, with rapid implementation and average payback periods of 6-9 months.
- *Lowest Risk* — Our proven solution and implementation methodology delivers unprecedented value for clients. We have been successful with each and every client, most of whom are market leaders in their respective industries. Our clients are 100% referenceable.

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Mark Vigoroso spearheads primary market research in field services management and assesses software and services that automate and streamline these and other value chain processes.

Vigoroso's current efforts include quantifying Global 5000 executives' strategies, experiences, and deployment plans in the area of field service optimization.

He has published research in the areas of strategic sourcing, supplier performance measurement, enterprise spending analysis, total cost management, global trade management, and asset management.

Vigoroso has spent years covering electronic procurement, supply chain, and logistics management trends as a journalist, editor, speaker, and columnist for various industry publications. Specializing in e-business applications and strategies, he was an editor at Purchasing Magazine and Manufacturing Marketplace. He has also been a columnist and feature writer for The E-Commerce Times, ZDNet TechUpdate, and Workz.com.



About Aberdeen Group

AberdeenGroup

Aberdeen Group's Post-Sales Service and Support Practice

Aberdeen's Post-Sales Service and Support research focuses on how Global 5000 firms can combine value-based strategies with technology to gain competitive advantage through profit-driven service organizations. Aberdeen helps companies facing such challenges as:

- Servicing customer needs
- Managing the field service team
- Supporting a product's life cycle

Customers are demanding more from their purchases. Revenue, profits, and customer loyalty are no longer being driven by the initial product sale, but by what a company does afterward. Aberdeen research indicates that many businesses are failing to seize this opportunity, succumbing to the belief that the hurdles are insurmountable.

But winning Global 5000 enterprises no longer view post-sales service and inventory management as a cost center. Aberdeen research indicates that after-sales service accounts for 10% to 40% of revenue for many industrial and service companies and up to 50% of inventory investment. Firms that recognize this financial impact are collaborating with their customers and leveraging field service automation technologies to improve operational efficiencies, profitability, and customer satisfaction levels.

Our History of Integrity:

Aberdeen was founded in 1988 to conduct fact-based, unbiased research that delivers tangible value to executives trying to advance their businesses with technology-enabled solutions.

Aberdeen's integrity has always been and always will be beyond reproach. We provide independent research and analysis of the dynamics underlying specific technology-enabled business strategies, market trends, and technology solutions. While some reports or portions of reports may be underwritten by corporate sponsors, Aberdeen's research findings are never influenced by any of these sponsors.



Appendix A: Research Methodology

In June 2004, Aberdeen Group and *Supply and Demand Chain Executive* magazine examined the field service management procedures, experiences, and intentions of more than 260 enterprises in high-tech, discrete and process manufacturing, utilities, and other industries.

Responding supply chain, logistics, customer support, and operations executives completed an online survey that included questions designed to determine the following:

- The degree to which field service management impacts corporate strategies, operations, and financial results
- The structure and effectiveness of existing field service procedures
- Current and planned use of automation to aid these activities
- The benefits, if any, that have been derived from optimized field service management

The study aimed to identify emerging best practices for field service management and provide a framework by which readers could assess their own field service capabilities.

Responding enterprises included the following:

- **Job function** — The research sample included executives in the following job functions: operations (30%), marketing (17%), supply chain/procurement (15%), customer service (12%), sales (12%), logistics (5%), finance (4%), and other (4%).
- **Industry** — The research sample included respondents from the following industries: high-technology manufacturing (25%), other manufacturing (16%), computer equipment and peripherals (13%), construction/architecture/engineering (8%), utilities/energy (7%), and transportation/distribution (5%). The remaining proportion of respondents consisted of education/ public sector and miscellaneous industry segments.
- **Company size** — About 22% of respondents were from large enterprises (annual revenues above US\$1 billion); 30% were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 48% of respondents were from small businesses (annual revenues of \$50 million or less).

Solution providers recognized as sponsors of this report were solicited after the fact and had no substantive influence on the direction of the *Field Service Optimization Management Benchmark Report*. Their sponsorship has made it possible for Aberdeen Group to make these findings available to readers at no charge.



Appendix B: **Related Aberdeen Research and Tools**

Related Aberdeen research that forms a companion or reference to this report includes:

- [Service Parts Management — Unlocking Value and Profits in the Service Chain](#) (September 2003)
- [The Enterprise Asset Management Benchmark Report — Maximizing Value in What You Own](#) (August 2003)
- [Enterprises Still Not Covering Their Assets](#) (September 2003)
- [The Value of Web-Based Help Desk and Support Automation](#) (November 2003)

Information on these and any other Aberdeen publications can be found at www.supplychainaccess.com or by e-mail at sca@aberdeen.com.

Aberdeen Group, Inc.

This research study is the result of research performed by Aberdeen Group.

Founded in 1988, Aberdeen Group is the trusted advisor to the Global 5000 for value chain strategies and technology advice. Through its continued benchmarking and analysis of value chain practices, Aberdeen offers a unique mix of research, tools, and services to help G5000 executives assess their value chain performance, develop improvement strategies, and select value chain solution partners.

Aberdeen delivers unbiased primary research that helps enterprises derive tangible business value from technology-enabled solutions. Through continuous benchmarking and analysis of value chain practices, Aberdeen offers a unique mix of research, tools, and services to help G5000 executives accomplish the following:

- **Improve** the financial and competitive position of their businesses now
- **Prioritize** operational improvement areas to drive immediate tangible value to their businesses
- **Leverage** information technology for tangible business value
- Aberdeen also offers selected solution providers fact-based tools and services to empower and equip them to accomplish the following:
- **Create demand** by reaching the right level of executives in companies where their solutions can deliver differentiated results
- **Accelerate sales** by accessing executive decision-makers who need a solution and arming the sales team with fact-based differentiation around business impact
- **Expand customers** by fortifying their value proposition with independent fact-based research and demonstrating installed base proof points

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