SAP White Paper
Field Service Management

Five Steps for Turning Field Service into a Profit Center

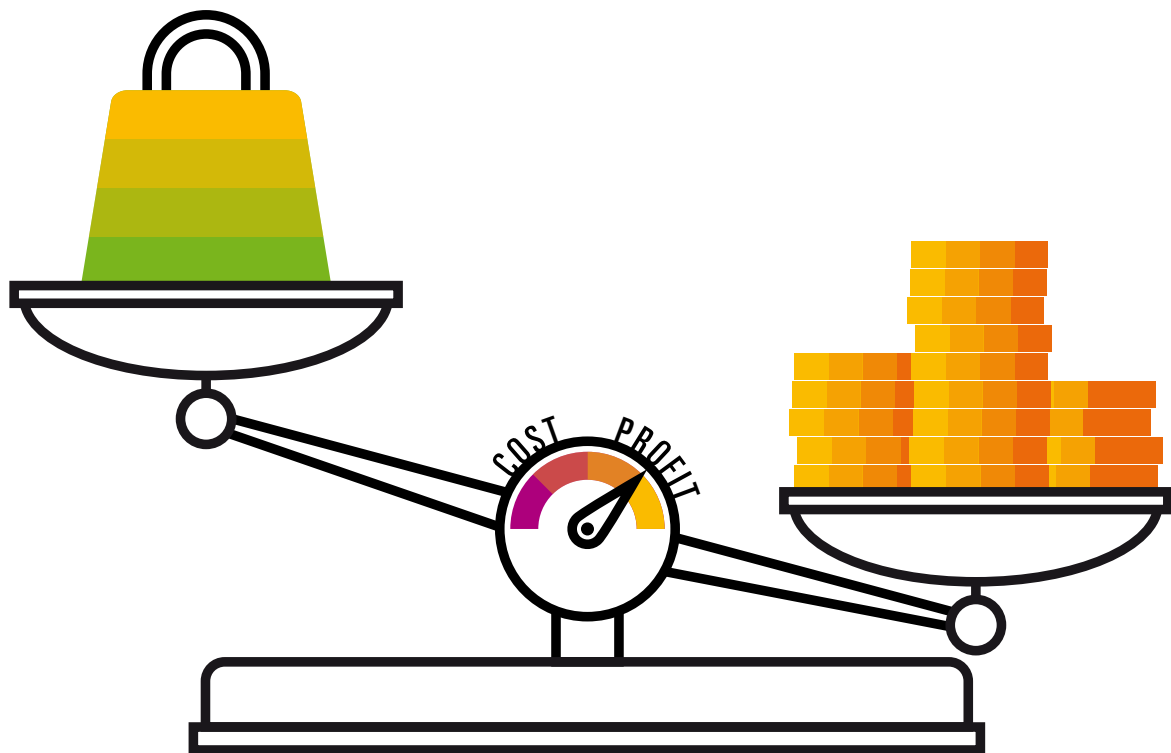## Your Guide to Driving Loyalty, Generating Revenue, and Advancing Along the Customer Value Chain

THE BEST RUN **SAP**

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Are you ready to turn field service from a cost center into a profit center? If so, read on to learn how organizations are moving from disconnected, manual service processes toward an integrated process that increases efficiency, yields customer insights, and drives cost-effective service excellence.

For some organizations, field service is a post-sale, cash-draining obligation. For others, it's an opportunity to engage customers, deepen relationships, and increase revenue. What kind of organization is yours?

Transform Field Service for Competitive Differentiation

Today, it is said, the customer is king. In this environment, customers are increasingly accustomed to higher levels of personalized service – often assisted by technology that facilitates their lives. By focusing on your customers and developing new business models that meet their needs, your organization can create new revenue streams and distinguish itself from the competition.

When approached as a profit center, field service management can play an important role in such a transformation. The idea is not about charging more for services delivered but about showing customers how your field services can help them achieve their own goals.

Your customers are, after all, just like you. They're under immense pressure to hit their KPIs, maximize ROI, and increase profits. One thing they cannot abide is unplanned production downtime. Suppliers who understand their challenges and align with their goals can move up the value chain and drive the kind of long-term loyalty that leads to greater profitability.

By transforming field service into a profit center, you can reorient your service delivery teams toward the needs of each customer. In doing so, you succeed in tying customers closer to your systems, services, and products – fostering brand loyalty and strengthening relationships.

In this paper, we present five practical steps for turning field service into a profit center. These steps are all about putting your customers first and empowering staff. You will learn how to move from disconnected processes and reactive repairs to focusing on proactive, productized services – services that are powered by integration and help you to drive strong, long-term customer relationships.

Step 1: Focus on the Customer

As a manufacturer today, you have new means of influencing your customer's success. Field service management software supports processes and tools that integrate into backend systems, allowing you to interact with customers in new ways. These tools organize resources and processes and feed field service staff vital information and instructions. Technicians completing a service job can now offer meaningful advice based on real-time and historical data combined with experience and collaboration.

Customers see the benefits of field service management software straight away. They not only appreciate the improved efficiency and quality of the service, but also the difference the service makes to their productivity. This puts you in a position of becoming a business partner invited to advise on how best to allocate capital investment to meet production targets.

Transforming field service usually starts with relatively standard improvements in resource allocation and route scheduling, but these improvements seldom have a direct impact on the customer. Real results come by automating support for field service staff – before, during, and after the service is delivered.

Planning a large job can be a very complex task with numerous steps to consider. Automating as much of the upfront work as possible with customizable job checklists helps to standardize the work for technicians, increase quality, and reduce the chances of having to redo work.

During the service, you can provide technicians with detailed information and instructions for getting the job done quickly. Using their mobile devices, field service technicians can download manuals, checklists, historical data, and site-specific instructions. A cloud-based solution helps ensure that even when technicians are not connected to the Internet, they can still perform effectively.

When the service is completed, the customer is presented with a report to sign. This leaves less room for doubt and means queries can be addressed on the spot, rather than several weeks later when memories have faded.

In the end, field service management software helps you keep your focus on the customer. With the ability to demonstrate how your services help keep your customers' businesses running continuously and efficiently, you climb the value chain – and become less of a service provider and more of a valued business partner.

Step 2: Create Operational Efficiencies

By empowering field service teams to achieve more with the resources available, you can reduce costs and improve cash flow. The way forward is to increase efficiencies in information management, service delivery, and planning.

Start by optimizing key resources as follows:

- Plan service calls with a routing system to increase visits per day
- Enable fast access to historical data from backend systems to reduce planning time
- Minimize the cost of sale with predefined templates, software automation, and online resources to streamline the customer quote creation process

Employees are more likely to be efficient when provided with the tools that foster efficiency. Take, for example, mobile data solutions that put all relevant data at the fingertips of field technicians on-site or on the road. Such solutions can alert technicians to where they need to be next and send updates throughout the day as service schedules change. Standardized step-by-step procedures mean technicians work fast and efficiently on-site.

You also can make the latest versions of manuals available electronically for download when needed. Technicians don't need to waste time picking up paper copies and don't need to return to the office if plans change. And with comprehensive customer reports that can be automatically produced in a predefined format, you save the time, money, and energy required for technicians to return to the office to write them manually.

In most businesses, cash flow is just as important as profitability. Compared to common paper-based systems, field service management software considerably accelerates invoicing by weeks or even months. The improvement in cash flow from faster payments can make a huge difference to the entire business model of your customer service department.

The idea is not about charging more for services delivered but about showing customers **how your field services can help them achieve their own goals**.
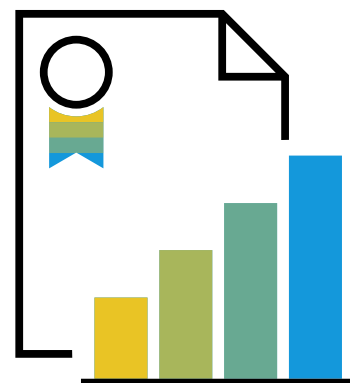
# Step 3: Turn Field Technicians into Service Ambassadors

Field service technicians are in a perfect position to establish the kind of valuable customers relationships that make the up-selling of services and equipment possible at a very low cost of sale. With access to customer data and an intimate understanding of the customer's business objectives, technicians can offer insight, advice, and guidance based on technical knowledge and years of experience. As ambassadors of your company, field service technicians can have significant influence – but to do their jobs effectively, they must be supported with the right tools and training.

Field service management software can empower technicians working on-site with all available information about the site, products, and history – all downloaded to and accessible from a mobile device. Combined with their years of experience, this data can help technicians to spot aspects of an installation that may not be right for that customer and offer advice on improvements.

Examples might include:

– Training
– Part replacement
– Upgrades
– Maintenance service
– New equipment

By providing access to the right information, you can empower your technicians to become brand ambassadors, capable of advising your customers on ways to improve productivity and uptime by suggesting additional goods and services. The results are stronger partnerships and improved revenue flows.
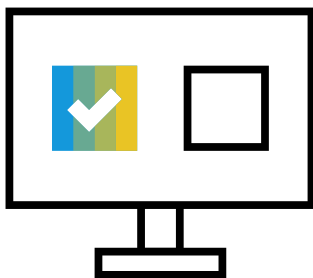
Real results come by **automating support for field service staff** – before, during, and after the service is delivered.

Step 4: Customize and Individualize Services

Older manufacturers may have grown up in a traditional, mass-market-oriented world – but things are changing fast. Today's businesses – yours and your customers' – are under constant pressure to deliver highly personalized products and services to the "segment of one."

Responding to this pressure, forward-looking brands now put much more emphasis on the customer's individual requirements and have developed processes to more effectively offer the customized services that support business targets and KPIs. Generating brand loyalty and keeping ahead of competitors are key goals.

Field service management software can give you the flexibility to tailor your processes to the unique needs of each of your customers – at scale while still maintaining profitability. Auto-

mated procedures and checklists defined for standard services are easily modified to accommodate customizations. Predictive analysis methods are used to capture knowledge, track performance, and create equipment usage profiles, hours of operation, production targets, service history, and more.

With effective field service management, you can also deliver additional, nonstandard services that are only performed for a specific customer. The customer receives real-time insights and high-value services that are aligned to their own business objectives. What's more, the work required to define and implement these services makes it extremely difficult for competitors to offer alternatives at a reasonable price – thus minimizing your competitive risk.

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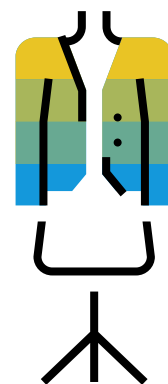
Step 5: Develop New Innovative Business Models

Rather than waiting for a customer to call with a problem, many manufacturers offer routine contracts. A regular schedule is agreed upon for technicians to visit the site and carry out preventative maintenance to stop errors before they occur. Large-scale and essential machinery breaking down in the middle of production can have a devastating impact on a customer's profits. However, a scheduled shutdown will have minimal effect.

With field service management software and advanced technology, your organization can take this model a step further. By using the Internet of Things (IoT) sensors embedded in the machinery you manufacture and sell, you can continuously monitor usage rates and emerging faults, so customers can be alerted about problems before they cause disruptions. In this way, instead of being offered on a standard schedule, services can be timed for when they are actually needed.

Growing accustomed to this model, your customers may start to build your online processes into theirs. For instance, self-service calls can be triggered by an end-user scanning a QR code on their smartphone. This bypasses the customer-service desk entirely and speeds up the process of making a service call.

Some manufacturers are taking this model further still – moving toward a product-as-a-service model. According to this model, you don't sell the machinery. Rather, you install it and charge by usage. Your customers are relieved of the large capital outlays for the machinery and of any associated maintenance duties. Instead, they only pay for uptime.

In this model, maintenance becomes your responsibility – and your incentive, more than ever, is to drive down costs and maximize profits by operating your field service team as a finely tuned profit center. The IoT sensors help you stay on top of the health of installed machinery while machine-learning algorithms take in a mixture of real-time IoT data and historical data to detect patterns that predict machine failure ahead of time.

At this point you've moved from a maintenance contract model to one by which your customers literally depend on you to do what they do. This is the definition of a partnership. Any preoccupations with machine maintenance on the part of your customer is gone. They are free to focus on their core business – because you've taken over the business of ensuring machine uptime. This is the kind of business model that can generate loyalty and profits for years to come.

Drive Profitability with Next-Generation Field Service

Today's customers want more – but old approaches to field service management leave too much value on the table. By automating field service – and running the organization like a profit center rather than a cost center – you can deliver the value customers crave, while generating more revenue and customer loyalty at the same time.

As explored in this paper, your five steps toward better field service management include:

1. **Focus on the customer** – by creating integrated, automated service processes that support technicians in the field to solve issues quickly and increase customer productivity and value
2. **Create operational efficiencies** – with mobile access to customer data and streamlined processes that maximize technician productivity

3. **Turn field technicians into service ambassadors** – by enabling access to customer data so that technicians can understand customer business objectives and up-sell higher value services
4. **Customize and individualize services** – with flexible processes that make it possible to profitably deliver tailored services at scale
5. **Develop new innovative business models** – using IoT and machine-learning technology for new, predictive, and proactive service models

By following these steps toward a better field service, you can more effectively move up the value chain with your customers to become a trusted business partner, and work with your customers to help them achieve their business objectives.

LEARN MORE
To find out more about how better field service management can help your organization deliver greater value to your customers, visit us at https://cx.sap.com/en/products/service/proactive-field-service.

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