ClickSoftware

How to Gain Visibility and Control of Your 3rd Party Field Service Workforce

Modern Mobile Workforce Management solutions can seamlessly integrate third-party technicians and contractors for improved visibility and control.

A ClickSoftware Business Paper

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Introduction

The trend for manufacturers, home service organizations and retailers to rely on outside contractors or a third-party workforce to fulfill their field service activities, has steadily increased for a variety of reasons. Contractors help companies reduce labor costs and expand more easily into new geographic areas or service offerings. Contractors can also help companies expand their technical expertise or service capacity. According to Aberdeen Group[1], 64% of surveyed field service companies reported using third-party technicians for at least some portion of their daily tasks.

The savings achieved through outsourcing can be significant, depending on the industry and the outsourcing strategy. What often goes unrecognized, though, is that there is also a cost to the company that owns the customer relationship in terms of visibility and control of the service experience.

Once jobs are assigned to contractors, they often vanish into a "black hole," with little or no meaningful visibility into when service is delivered, how long it took, or whether or not the issue was resolved— problems aren't evident until it's too late to take any corrective action. Even with long-standing partners, many organizations hand jobs to their third-party service contractors via e-mail, fax, phone, or other manual processes and then hope for the best. If there is a problem, often the primary service organization doesn't know until they receive complaints from the customer. Service managers then have to contact the contractor to find out what is happening. The contractor, in turn, may have to track down specific technicians to get the real story.

This lack of visibility generates customer service failures and requires a lot of time and effort to solve, while information about specific work orders exists in disconnected pockets across multiple organizations. During planning, lack of a shared view of expected demand and capacity, both sides of the relationship are left "estimating" their mutual commitments for work from the enterprise and availability from the contractor.

Without clear visibility into contractor service delivery, customers cannot receive the best service; brands will suffer from a failure to meet service level agreement (SLA) or warranty requirements; and the contractors themselves are left to manage mounds of paperwork that can delay their invoicing and receivables.

The technology exists today to eliminate those gaps in visibility, and to make the third-party workforce indistinguishable from a service organization's internal workforce.

In an optimal world, service organizations should have confidence that their contractors have the skill and capacity to complete all assigned work orders. Contractors should have real-time access to work order information, parts availability, be able to report back quickly on service delivery and submit claims. While many service organizations have the ability to interact with internal field employees in real time using automated mobile workforce management (Mobile WFM) solutions, extending these solutions to third-party contractors has proven challenging.

To remain competitive in the future world of service, companies must have ability to manage both internal and contract employees, regardless of the size of the workforce the contract organization employs. Applying the right workforce management model and solutions allows both the enterprises that own the customer relationship, and their service partners to better manage capacity, improve service delivery, and improve efficiency.

Many work order management solutions include the ability to issue work orders to contractors via e-mail, fax, or manual means. However, providing two-way interaction and visibility with outside employees in the field requires a secure, reliable real-time connection that speaks in the language of both companies. The availability of cloud-based workforce management solutions, combined with device-agnostic mobility, enables all mobile workers to access work order data and provide status updates from any mobile device.

Having this type of real-time connectivity allows service companies to issue last-minute schedule changes to the contractor on the fly, provide updates to customers about technician arrival times, monitor work orders that may be in jeopardy of slipping out of SLA compliance, and even create opportunities for optimized scheduling and capacity planning.

Integrated, Manual and Cloud-Based Contractor Management Models

Service companies that leverage third-party contractors have continued to invest in new technology and business process initiatives in order to achieve this visibility. According to data from Aberdeen Group[2], 51% of surveyed companies that outsource to service contractors said their top strategic action was to invest in mobile tools that provide technicians with better access to information in the field. Increase availability of service knowledge in order to diagnose and resolve service issues more quickly (45%), followed by develop real-time visibility in to field assets (43%).

Further, when asked to list their top priorities for improvement over the next 12 months[3], more than 40% of respondents to the Aberdeen survey said these investments would include knowledge management, service technology infrastructure, scheduling and planning tools, and performance management (figure 1). Clearly, these companies see closing the visibility gap as a key business driver, and a source of competitive advantage.

Extending these work order management capabilities to contractors can be accomplished under a number of scenarios. If direct integration with the partner isn't possible, mobile employees may send automatic notifications to the third-party service provider, who then may have to manually enter information into a hosted or integrated work order management system in order to report back to the primary service organization.

If the contractor has an existing field service solution, there are integration options available so that work orders can be issued from the primary service company directly to the contractor's system via direct integration or e-mail.

However, the ideal model is for the mobile workers to have direct access to the schedule from the field in order to eliminate manual data entry, the associated inefficiencies and potential errors. Real-time field reporting also allows both companies to address late arrivals and schedule changes before they affect customer service levels.

Achievement of the optimal solution requires both companies to buy-in to the mutual benefits. If the contractor thinks a solution is simply being imposed on them, they will under-utilize the solution or not use it at all, and the service provider will remain in the dark when it comes to availability and work execution.

Companies integrating their contractor's workforce management must quantify and outline the benefits to the contractor at the early stages of deployment so all parties can leverage the solution to its fullest potential. If done right, it is a "win-win" for both sides of the equation as they each get a more accurate, forward-looking understanding of their capacity and reduce the lag time between field execution and enterprise awareness. Earlier completion updates lead to a more responsive enterprise, and shorter order-to-cash cycles for contractors.
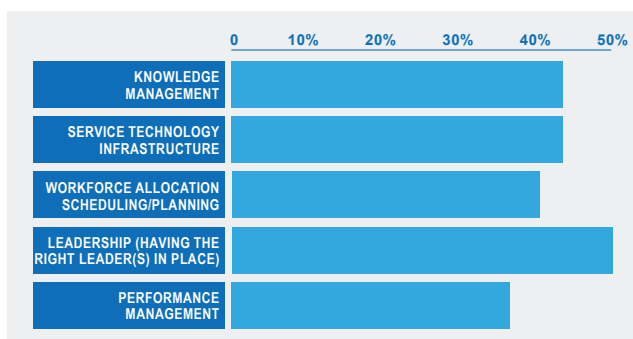

Figure 1: Top Priorities for Improvement over the next 12 Months

2. Aberdeen Group, Contractor Management: Strengthen Service with a Third-Party Field Service Team, March 2015
3. Aberdeen Group, Third-Party Field Service: Work Together to Deliver High Level of Quality, February 2014

The Value Proposition for Third-party service contractors

The right mobile workforce management solution can provide more than data transfer for the primary service organization; it also provides productivity tools to help the service provider run their business better—enticing them to adopt the enterprise processes.

For service providers that have not previously made use of mobile solutions, accessing these tools can provide better visibility into their own technician activity, improve time tracking and reporting, mileage reporting, job dispatch and management, provide proof of service documentation, and improve business analytics.

Increased visibility enables better capacity planning for both the service company and the contractor. This helps establish more consistent pricing, and ensures that technicians and other employees are available when both organizations need them.

These solutions can also speed contractor payments. In many cases, contractors aren't paid until the primary enterprise service provider receives "proof-of-service" documentation, signed by the customer. With paper-based processes, it can take weeks for documents to be processed, which means checks aren't cut until long after the service has been rendered. With a mobile workforce management solution that provides real-time visibility into service completion and electronic signature capture, the payment cycle can be cut from weeks to days.

Contractor reporting is also streamlined. If there are defects in a replacement part or product, just reporting those problems and finding a solution often requires a chain of phone calls to determine who caused the defect and what is to be done about it. With a connected contractor workforce, technicians and other mobile workers can photograph damaged items and send that documentation immediately back to the service organization. This reduces unnecessary parts replacement, streamlines the return materials authorization (RMA) process for the contractor, and shortens the time it takes to turn a troubled customer into a happy one.

By positioning the workforce management solution to the contractors as a benefit for both organizations, service organizations can ease the adoption of what could otherwise be a contentious technology requirement. Instead of imposing another set of hoops for third-party service contractors to jump through, service companies can provide their partners with access to a technology solution that provides real benefits and cost savings.

Because different contractors will have different technological capabilities, the primary service organization must deploy a flexible, device-agnostic solution that leverages both mobility and the cloud computing infrastructure to make it possible for any employee to access these systems from any mobile phone, tablet, or other device. In this way, the power of the mobile workforce management solution can be extended to large contractors with existing mobile solutions, as well as independent technicians or mom-and-pop operations that are less tech-savvy and lack the IT resources to deploy and manage these systems on their own.

Contractor privacy and security is also a key concern. The solution must enable contractors to have privacy for any work and time that is not committed to their customer, the enterprise service provider. This facilitates the contractor's ability to work for multiple primary service companies, even where they compete. Employee information for each workforce must exist and be exposed only as appropriate to the level of desired optimization and cooperation between the companies. As a basis, only information related to the skills, capacity and availability of the contractors and specific jobs assigned by the service organization should be transmitted between the two companies. If the primary and third parties agree, they may choose to share pictures or more information to enhance the information shared with a customer about the contractor providing service.

This helps ensure that proprietary company information and personal information related to each mobile employee remains confidential. Most contractors have relationships with multiple companies in a given market; so they must be able to segregate work orders from each of their partners locally, so that each company's private information remains private. However, one can't ignore that these service provider companies have to manage "all" of their availability, and presumably wish to use a single workforce management solution for everything. This creates a challenge, as many cannot afford the enterprise-class mobile workforce management solutions that their customers (the enterprise service providers) use.

Real-Time Visibility

Optimally, companies should be able to monitor contractor performance in the same way they monitor the performance of internal employees. For the primary service organization, extending work order visibility to contractor technicians makes it possible to automatically track performance and see how many work orders have been completed, which are at risk, and how the contractor is tracking relative to SLA compliance.

Alerts are automatically issued when jobs are in jeopardy, and weekly or monthly reports can help uncover any potential problems before they have a lasting effect on customer service. Service organizations can shorten the service life cycle associated with contractor management, which cuts time from billing and logistics processes.

With contractors providing more timely field updates, service organizations gain more visibility into key performance indicator (KPI) scores for each contractor. They can then use that data to evaluate which contractors are the best match for a specific job.

Right now, most companies select contractors based on approximate location or zip code, combined with local dispatcher knowledge or preferences. By using mobile workforce management solutions that extend to each contractor, service companies can evaluate which local contractors have the best performance in terms of first-time fix rates, service costs, response times, customer survey scores, and other factors that can affect SLA compliance and warranty management.

The management solution can then use the service provider grades to provide optimized scheduling. For example, when a customer service call comes in, a dispatcher can see optimized appointment slots that provide the most value to the company and the customer. The appointment with the highest grade may be with a highly rated contractor or most qualified technician on the following day; if same-day service is required, a lower-rated resource may be available.

In this way, a contractor management solution doesn't just help provide the most efficient service for the customer. It provides the means to improve responsiveness and reduce costs for the primary service company. In turn, contractors are able to use real performance data to improve their own operations, and provide more capacity to handle more work orders when necessary.

And by connecting the contractor using a mobile solution, the primary company can update customers on the status of their call, the technician's estimated arrival time, and even the name and picture of the employee assigned to the job.

Conclusion

Outsourcing work to third-party service contractors doesn't mean enterprise service providers have to lose visibility of their work orders. By deploying robust, open, and integrated web-based mobile workforce management solutions that can be accessed on a range of mobile devices, these companies can gain real-time visibility of contractor assignments. They can also seamlessly manage both internal and third-party technicians using one solution.

Doing so can reduce costs and paperwork, improve first-time fix rates by giving contractors access to work order details, improve jeopardy management, and avoid unrequired visits and job rejections from service contractors. Both the service provider and the contractor can also achieve more consistent scheduling and better resource utilization. Service organizations can also get a better view of contractor performance, and use that data to rate contractors and optimize scheduling. Overall, cycle times can be minimized from the minute the work order is created until the job is closed and payment issued.

All of these factors improve customer service whether the person performing the work is an in-house employee or a contract technician. By improving visibility up and down the service chain, service companies can reap the financial and other benefits of outsourcing, while still maintaining their brand value and ensuring customer service that meets their standards.

It is increasingly evident in a growing number of industries that service partnerships are a necessity for enterprises to hit targets for cost and profitability. The next logical dilemma—how to manage a workforce that faces the customer daily, but that is "once-removed" from the enterprise—has emerged as the opportunity for differentiating customer service with the least cost.

Conclusion

To learn more about ClickSoftware's solution for field service contractor management visit: http://www.clicksoftware.com/contractor-management-services-software

About ClickSoftware

ClickSoftware is the leading provider of automated mobile workforce management and service optimization solutions for the enterprise, both for mobile and in-house resources. As pioneers of the "Service chain optimization" concept, our solutions provide organizations with end-to-end visibility and control of the entire service management chain by optimizing forecasting, planning, shift and task scheduling, mobility and real-time management of resource and customer communication.

Available via the cloud or on premise, our products incorporate best business practices and advanced decision-making algorithms to manage service operations more efficiently, in a scalable, integrated manner. Our solutions have become the backbone for many leading organizations worldwide by addressing the fundamental question of job fulfillment: Who does What, for Whom, With what, Where and When.

ClickSoftware is the premier choice for delivering superb business performance to service sector organizations of all sizes. The company is headquartered in the United States and Israel, with offices across Europe, Latin America and Asia Pacific. For more information, please visit www.clicksoftware.com. Follow us on Twitter.