

EXCELLENCE IN THE FIELD: PUT THE CUSTOMER FIRST

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→ **Aly Pinder Jr.**, Senior Research Analyst,
Service Management



Research Highlights

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Changing customer dynamics are forcing organizations to focus on service delivered value.

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Three-fourths of Best-in-Class service organizations use customer feedback to measure employee and service performance.

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Field service technicians are expected to resolve issues while also improving customer satisfaction and driving revenue.

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Best-in-Class firms are able to achieve year-over-year improvement in both customer satisfaction rates and service revenue.

This report will highlight the innovative ways top performing service firms and manufacturers engage with their customers while also delivering tangible value. The data points for this report are based on Aberdeen Group's State of Service research project which explored the impact of data and analytics on helping Chief Service Officers (CSOs) create and deliver value to customers while also ensuring improved worker productivity and resolution.

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“Good enough” or simply meeting an SLA is no longer going to keep customers, get them to spend more, or inspire them to refer new clients to your business.

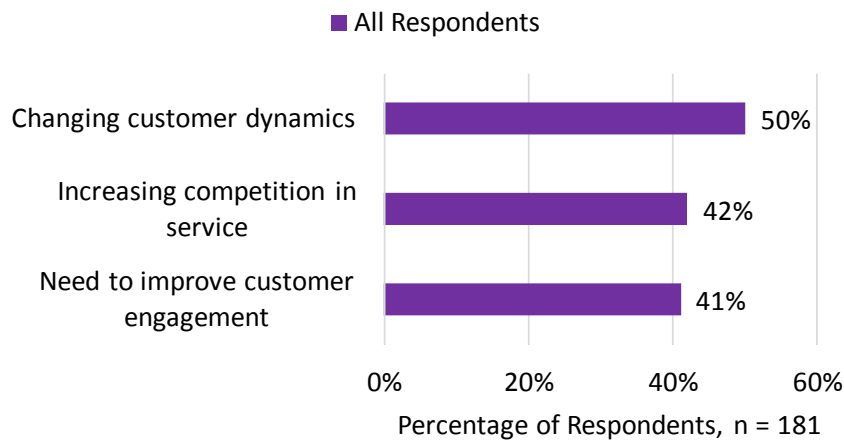
→ [Read the full report, “State of Service Management in 2016: Empower the Data-Driven CSO”](#)

Service organizations and manufacturers are taking a new look at the customer. No longer is improving customer satisfaction rates one of many goals, it is THE goal. As seen in Aberdeen Group’s [State of Service research](#), what defines success for the service organization today is customer satisfaction. This focus on the customer requires organizations and service leaders to shift their focus, empower the field service team, and offer services that deliver value for the customer. “Good enough,” or simply meeting an SLA, is no longer going to keep customers, get them to spend more, or inspire them to refer new clients.

[Engage Your Customers in a Conversation not a Work Order](#)

The urgency of shifting from an internal, operational focus to delivering value and actively engaging customers cannot be overstated. Customer satisfaction is a moving target, and getting customers to refer new business means the service organization must go above and beyond the SLA and really “wow” those it serves. Service leaders are finding that, because customer needs continue to change and competition continues to eat away at profits, they need to engage customers in new conversations with an ever-expanding suite of service offerings (Figure 1).

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Figure 1: Top Pressures Facing Field Service in 2016

Note: Respondents were asked to choose Top Three Answers of Eight. Source: Aberdeen Group, July 2016

But what does improved customer engagement actually look like? Don't customers just want you to fix the machine or asset on a first visit? The answer is definitely yes. First and foremost, service teams need to fix issues the first time. But there are actually a number of ways to drop the ball in the eyes of the customer (see sidebar). What actually differentiates the Best-in-Class from their peers is that they not only work to avoid upsetting their customers, but they also seek out ways of delivering service that will actually wow them.

Perception of Value is in the Eye of the Beholder

With customer expectations changing rapidly, service organizations need real insight into the minds of their customers. Historically, organizations solely looked to post-service event surveys to monitor the success of the service experience. Often times, however, this measurement tool confused aspects of the experience that were controlled by

Research Findings:

Top reasons customers are dissatisfied (as reported by stated percentage of respondents; Respondents were asked to choose Top four out of 12 options):

- Technician(s) did not resolve the issue (parts, expertise) - 58%
- Waiting time for appointments (e.g., 3 weeks until field technician can be on site) - 51%
- Technician(s) did not arrive on time - 38%
- Improper billing for service issue - 33%
- Inflexible/inconvenient appointment availability - 30%

Research Findings:

Top goals for field service in 2016 (by percentage of Best-in-Class respondents; respondents were asked to choose Top three out of eight options):

- Improve customer retention / loyalty / satisfaction - 58%
- Improve service-related profitability - 54%
- Improve quality / relevance of service data - 39%
- Improve service information capabilities (i.e., mobility, knowledge sharing) - 38%

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Best-in-Class Defined:

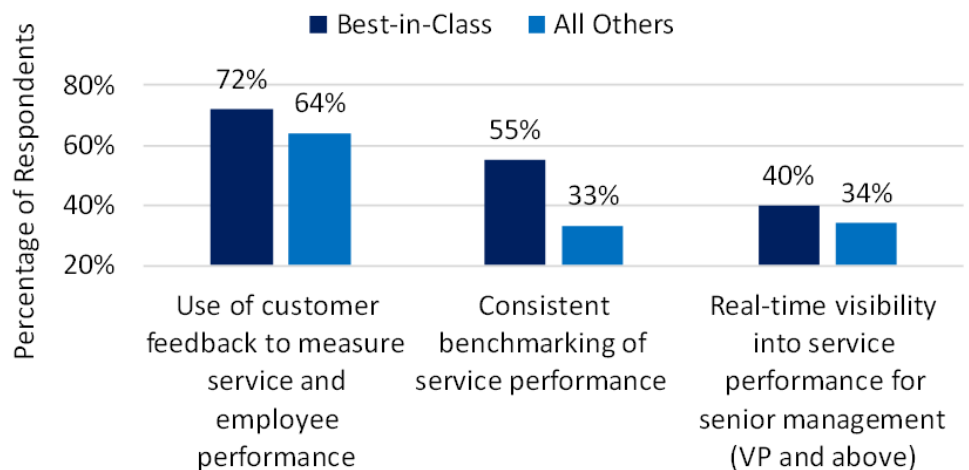
In our January and February 2016 *State of Service Management* study, Aberdeen surveyed 377 service and manufacturing organizations and used three KPIs to distinguish the Best-in-Class (top 20% of aggregate performers) from Industry Average (middle 50%) and Laggard (bottom 30%) organizations, with the mean performance amongst the Best-in-Class as follows:

- 86% performance in SLA compliance
- 89% performance in customer retention
- 7% annual improvement in worker productivity

service with those that were not (e.g., equipment satisfaction, perception of the organization as a whole, etc.).

To better identify what customers value and highlight opportunities for improvement, savvy service organizations have gone beyond the survey. The Best-in-Class unearth ways to better engage and deliver value to customers through actually asking them about what they will pay for, benchmarking current offerings against other top performers, and ensuring that senior leaders have visibility into what is currently being delivered (Figure 2).

Figure 2: Engagement Begins with Knowing How the Field is Performing



n = 377

Source: Aberdeen Group, July 2016

In order to excel at service, the front line needs to be aligned with the changing needs of the market. This calls for service leadership that not only puts the right metrics in place but also leads with a strategic, customer-centric vision.

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Customer Engagement Has Measurable Value

Too often, operationally focused organizations think that the customer has no options. Long-standing service contracts can distract service leaders from evolving service offerings. As noted earlier, however, competition and customer empowerment make it imperative that service organizations look to customer engagement as a key driver for future success. Improving customer engagement is not a theoretical possibility. Customer engagement demands more than just lip service, it takes action and creativity (Figure 3).

Figure 3: The Best-in-Class Find Innovative Ways to Engage



Proactively finding new ways to engage customers not only builds a connection, but it also strengthens the feeling of a true partnership with shared goals. The Best-in-Class don't just look to engage via a feedback survey, they go above and beyond to ensure customers are a part of the team. For example, a large

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Research Findings:

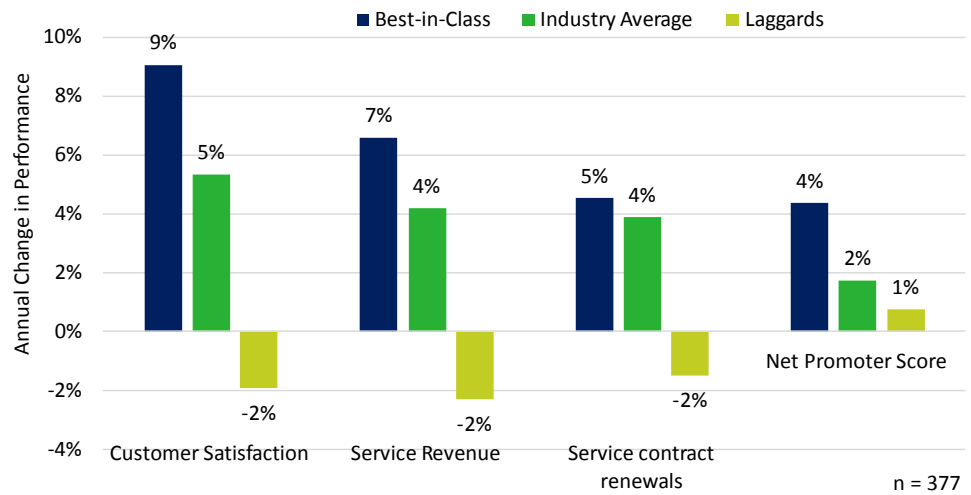
Top goals for field service engineers and service visits (by percentage of Best-in-Class respondents, NOTE: respondents chose Top Four out of eleven options):

- Increase revenue – 69%
- Increase customer satisfaction – 62%
- Improve resolution time – 54%
- Reduce cost from repeat visits – 38%
- Improve response time – 35%

equipment manufacturer found that their post-event surveys just ended up on the desk of a manager, but when they implemented an advocacy group they were actually able to learn what the customer truly valued. They were able to not only quickly implement a small tweak to their services which resulted in increased customer satisfaction but they were also able to offer a new set of services which met an unsatisfied need of the market.

In fact, Best-in-Class service organizations have been able to improve customer satisfaction and see that reflected in revenue and future business as a result of their efforts in this direction (Figure 4).

Figure 4: Care About Engaged, Satisfied Customers = Profitable Growth



Happy, satisfied customers are not created by delivering minimum levels of service. In order to improve satisfaction year over year AND inspire customers to positively refer new business,

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service teams need to go beyond the work order and deliver more (see sidebar).

Key Takeaways

Service excellence in 2016 is measured on a new scale. No longer is your success defined by your own internal metrics; the customer determines it. As the measuring stick moves, service organizations need to get closer to the customer and engage them in an on-going conversation. The Best-in-Class have been able to deliver additional value to the customer and turn engaged customers into profitable growth. To achieve this kind of success, service organizations should follow a few best practices:

- ➔ Give the field team the tools needed to better understand the customer. Mobile tools and real-time data have the ability to provide the front line with insights into what can add value to a service visit.
- ➔ Establish innovative ways to engage and inspire customer partnerships. The work order or the post-visit survey should be the baseline, not the end game. But organizations can't innovate in a vacuum; they need to work with customers and evolve together.
- ➔ Incentivize your customers and the field team to collaborate. Service teams need to work with customers directly to ensure goals are aligned so that both the customer and the service organization grow together.
- ➔ Benchmark your service performance against peers and the best in other industries. "Good" can be a relative

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term. What the service organization perceives as good may be exceeding an SLA, while the customer may be measuring service up against service experiences they have in other parts of their daily lives.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[*Field Service Leaders: Are They Born or Trained?*](#); July 2016

[*Field Service, Self-Service, and the Internet of Things*](#); June 2016

[*Field Service 2016: Strengthen the Team and Bond with Your Customers*](#); June 2016

[*The Internet of Things and Field Service Innovation*](#); May 2016

[*State of Service Management in 2016: Empower the Data-Driven CSO*](#); March 2016

[*First-time Fix: Revisit a Metric Driving Success*](#); March 2016

Author: Aly Pinder Jr., Senior Research Analyst, Service Management (aly.pinder@aberdeen.com)

About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide improve their performance. Our analysts derive fact-based, vendor-agnostic insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategy. Aberdeen Group is headquartered in Waltham, MA.

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