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WHAT IS THE ROLE OF ERP IN FIELD SERVICE?

5 MYTHS AND 5 TRUTHS

What is the true role of ERP in field service? Where ERP once ruled, companies today have more field service management technology options than ever to run their organization. ERP still plays a role, but companies often have misconceptions of what that role should be.

Here are 5 myths and 5 truths to guide your integration and technology decisions for your company's field service organization.

MYTH #1

It's cheaper to use my ERP system than to buy a dedicated field service solution

This first myth is often the result of promises an ERP salesperson makes to a company that is in the process of purchasing a new ERP system. Sometimes licenses for a field service module are "thrown in" to close the deal, or at least offered at an incredibly low price. Well, the initial cost is just one factor of many when it comes to assessing the REAL cost of an ERP-based field service solution vs. a dedicated cloud field service solution.

TRUTH #1

What may seem cheap up front will likely be far more expensive in the long run

Here are just a few of the "hidden" costs of an ERP based field service solution that company should be aware of:

- Licenses are just the beginning: The implementation and internal resources required for that are also a huge cost to consider.
- Implementation can often be more than twice the cost of licenses
- Longer implementation: Panorama Consulting research states that 57% of ERP implementation take longer than expected
- Ongoing change-order costs: Want to make a change? According to IDC, more than 50% of companies report a business rule change in their ERP takes longer than 7 days to implement. That's not only a cost for your admin's time, but also a resource not working on other projects.

MYTH #2

Integration will be really expensive, really complicated, and will take a long time

Conventional thinking on system and data integration is that the lower number of systems you are on, the less data you have to integrate. A common conception is also that all of the data between two systems must be integrated for it to be effective. So if you just use your ERP field service solution, it will come integrated out of the box and you can avoid any extra effort to integrate a different field service system? Not quite.

TRUTH #2

Integration doesn't have to be complicated and can be done quickly

Do you realize how many companies have done integrations with cloud applications? No matter what combination of systems you can dream up, chances are it has been done. Not only that, but there is an entire industry built around integration -- experts who have seen it all. So, the hardest part about integration these days is deciding what to integrate. You certainly do not need to integrate everything -- the vast majority of field service organizations are successful by just integrating parts, inventory, invoicing, and sometimes technician skills data. Yes, your ERP is your master, but doing a bit of extra work to integrate a system that will fulfill your business users needs far more effectively is the right choice in the long run.

MYTH #3

The ERP solution is good enough for our field service organization

Field service has never really been in the spotlight, so as far back as most IT organizations can remember, outfitting them with new and innovative technology wasn't really a priority. In fact, for a long time, that technology didn't even exist. So when an ERP vendor show a pretty slick demo and makes promises about mobility, it's a little easier to check the box for field service and move on, right?

TRUTH #3

ERP systems are inadequate because field service is now a critical, revenue-generating function

The days of field service as a some "fix-it" guys are over. With falling margins and drastically changed customer expectations, service is in the spotlight and often the biggest differentiator for many companies. Now, would you roll out just an "adequate" system for your finance or sales organization? Field service is no different. Technicians are the key to customer loyalty and are the only people at your company that are literally face to face with customers every day. Empowering them with the tools they need to excel is just good business.

"Two years and millions of dollars later, we never got our ERP field service system to work," **Fortune 500 VP of European Service**

MYTH #4

We can cut costs by using the in-house ERP expertise we already have

In-house expertise often appears to be more cost effective than hiring outside help for things like upgrades and change-orders. And they're often more efficient too since they already know your business. But a lot more goes into assessing the true cost of these upgrades and change-orders than simply the labor required to do it, and in the end it likely isn't cheaper at all.

TRUTH #4

No matter how you slice it, upgrades and changes to an ERP are expensive and lengthy

Did you know that 70% of the total cost to own an ERP system is for labor? (Source: ERP Nation) And rolling out changes to an on-premise ERP system take far longer than changes to a cloud- based system (months vs. hours) so you're also looking at a significant time commitment.

What are the real costs of using in-house resources to make a change in your ERP?
1. If they're working on that, they're not working on other initiatives
2. Can your in-house experts really focus on it? ERP changes take a while, and your business users undoubtedly want them quickly

As IT continues to become a more strategic organization in so many companies, it's key that your resources are working on important strategic initiatives. Not just maintaining things.

MYTH #5

An ERP solution provides good reporting and insights for our business users

Your ERP provides great reporting for the data that falls into its core functions. You may even have a dedicated reporting resource that churns out reports like it's his job (because it is). So naturally that reporting can be extended out to field service too, right? Kinda.

TRUTH #5

Field service requires granular, real-time insights that ERPs do not provide

The VP of service for the largest mailing equipment manufacturer said that it took tens of thousands of dollars to get field service reports from his ERP system that showed data that was 3 months old. And he's not alone. Field service is a fast paced, real-time function that requires up to date data to ensure customers are getting what they need. Knowing about inefficiencies or unhappy customers months late doesn't help anyone. Furthermore, gathering accurate data in the field requires an intuitive, mobile system that technicians can use at the customer site, and to date, ERPs don't offer a mobile solution that supports that.

Want to learn how ServiceMax and your ERP can work together to power your field service organization? **Get in touch for a demo** »