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FIELD SERVICE WORKFORCE MANAGEMENT: WINNING WITH PEOPLE

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SUMMARY

The Service Council's (TSC) Q2 Survey on Field Service Challenges (n=226) revealed that service organizations are expanding the focus of their workforce management strategies to incorporate traditional HR-centric areas of sourcing, hiring, onboarding, training, engagement and knowledge management. No longer can these organizations compete by simply focusing on the scheduling and allocation of field service resources. They need to play a greater role in building the appropriate service workforce to deliver the right results in efficiency, productivity, customer satisfaction and profitability. At The Service Council's 2013 Smarter Services Executive Symposium, leading service organizations such as Safelite AutoGlass, Farmers Insurance, KONE Corporation, Philips Healthcare, Johnson Controls and more, spoke of the increasing importance of service talent as a key driver and challenge for their businesses.

This document will highlight trends in field service that are broadening the definition of the term 'workforce management' and highlighting how service organizations can work collaboratively with their HR counterparts to develop a service ready workforce.

A NEW AREA OF FOCUS

Field service workforce management has always been and continues to be a key area of discussion for service executives looking to compete in service delivery, efficiency and customer satisfaction. TSC's 2013 research on field service challenges highlights that organizations continue to be extremely focused on sharpening their workforce management strategies (Table 1).

Table I: Areas of Strategic Focus for Next 12 Months

Area of Strategic Focus	Percentage of Respondents
Field service workforce management	41%
Performance management and visibility	38%
Technology / Automation infrastructure	37%
Knowledge management	26%
Process re-alignment	20%

Source: The Service Council, Field Service Challenges, Q2 2013

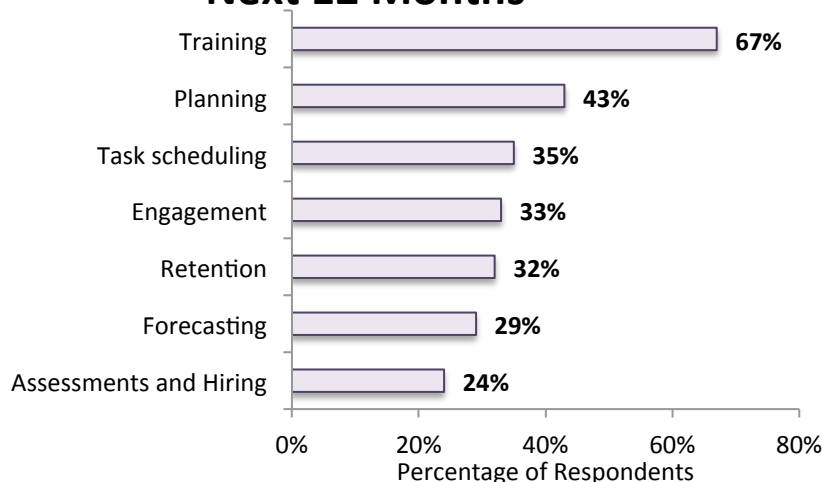
This focus on workforce management is true for all sizes of organizations and not just limited to larger businesses. Even small and mid-size businesses are extremely focused on workforce management as an area of strategic focus for the next 12 months, as seen by forty-two percent (42%) of these organizations (less than 500 field workers) in TSC's recent survey.

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That said, the scope of workforce management is changing for field service organizations. Traditionally, business leaders were primarily focused on the execution aspects of field service delivery, therefore requiring investments in scheduling and resource assignment at the point of service delivery. Mobile solutions, and other tools used to support point of service information delivery, are also key considerations for excellence at the execution stage. As we expand the definition of workforce management, the impact of mobility can and will be extended beyond the delivery of point-of-service information to support training and knowledge management initiatives.

To augment service delivery excellence at the point-of-execution, TSC's research has tracked an increasing focus on planning and forecasting by leading service organizations. Figure 1 reveals that forty-three percent (43%) of service organizations are looking to develop service resource plans in order to proactively meet future service demand. These resources include people, parts, vehicles and more in order to maintain customer service levels while reducing the cost of reacting to surges or lulls in service demand. In fact, forty-three percent (43%) of organizations indicate that field service demand forecasts tied to real-time data are much needed at the field service leadership level in order to support continued field service growth.

**Figure 1: Workforce Management Initiatives -
Next 12 Months**



Source: The Service Council, Field Service Challenges, Q2 2013

In addition to a higher level of focus on planning, Figure 1 highlights how service organizations are increasingly focused on strengthening their hiring, training, engagement, and knowledge management initiatives. These are areas that would not have been at the top of the list five years ago but are becoming increasingly vital. Service leaders are beginning to understand, conceptually and financially, the value of a service ready workforce. These executives are beginning to involve themselves in more HR-centric areas of workforce management.

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One of the factors that enables the broader focus on workforce management is the vast amount of recorded performance data available to service business leaders. These leaders are beginning to understand the level of granularity at which they can or should be able to dig into data in order to aid better decision-making. For instance, service executives can now actively seek and drill into data tied to:

- Financial performance of the service organization
- Operational performance
 - o At the organization level
 - o At the regional level
 - o At the field agent level
- Service history/occurrence
 - o By customer segment
 - o By product type/segment
 - o By region
- Customer feedback
 - o In aggregate
 - o By product/service type
- Worker performance
 - o Resolution oriented (e.g. first-time fix rate, time to repair)
 - o Customer satisfaction oriented (e.g. customer satisfaction score, customer complaints)
 - o Schedule oriented (e.g. time taken to complete tasks, adherence to schedule, absenteeism)

With the aid of greater service performance data and better business insight, service executives can now make informed decisions with regards to:

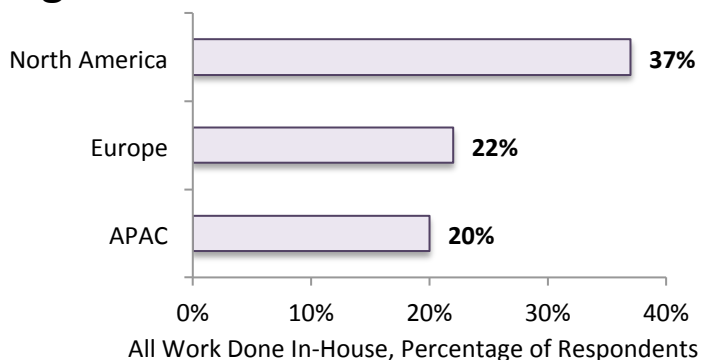
- Future resource staffing needs tied to type of product or skill set.
 - o In certain geographies there is a significant shortage of field service workers. In fact, twenty-five percent (25%) of organizations state that sourcing new talent is a major field service challenge for their business in support of revenue attainment and cost containment goals. TSC's data reveals that this challenge was much more acute in North America and Australia as opposed to the European field service marketplace.
- Characteristics and profiles of successful workers to be replicated in new worker sourcing and hiring decisions.
 - o While compensation plays a significant role in bringing in new talent, it is vital that talent requirements be modeled around the most successful field technicians or dispatchers.
- Customized training programs needed for incoming field workers based on their strengths and weaknesses.
 - o With the aid of assessments and technician profiles it is possible to customize training programs to focus in on areas of improvement. In most

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cases technicians can be brought in with strong technical knowledge and experience but might lack the customer handling capabilities that are core to improving the service experience. At onboarding, most organizations are looking to balance required technical training programs with optional customer management or sales programs customized to the needs of the technicians.

- Incentive programs tied to individual and team performance
 - o Incentive programs can also go a long way to boost hiring while driving up employee motivation and engagement. With the aid of performance data, not only can organizations provide their employees with financial incentives tied to productivity, but also provide these field service employees with greater visibility into individual and team performance.
- Tailored training initiatives for existing field workers tied to their current performance
 - o As with new employees, existing field service agents should be provided with access to continued training opportunities. In some cases, these opportunities should be made mandatory based on performance. It is essential though that these training programs address areas of improvement and not be limited to a standard 'one size fits all' approach.
- Use of third-party providers to make up coverage gaps, both from a geography or specific expertise point-of-view
 - o Field service organizations vary on their reliance on third parties to deliver service. For instance, field organizations in North America are more likely than those in Europe or Asia Pacific to completely rely on in-house field technicians (Figure 2). Most organizations globally leverage a healthy mix of employees and contractors. In a partner-reliant service model, it is essential to develop the right mix between in-house and partner coverage, as well as, the right mix of contractors based on their coverage, performance and expertise.

Figure 2: All Field Work Done In-House



Source: The Service Council, Field Service Challenges, Q2 2013

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WORKFORCE MANAGEMENT CONSIDERATIONS

Big Data, as a term, is quite often overused and generalized to mean everything to everyone. It also assumes that organizations have the necessary data in house, as well as, the resources at hand to deliver insight from the data. In the area of workforce management for field service, data can play a significant role in aiding organizations looking to build an optimal workforce to fulfill service objectives. For organizations that are looking to unlock the secrets to field service workforce management, the initial emphasis should be placed on the capture and storage of performance data at the field agent level. With the aid of this data, the following steps can be taken across the broader spectrum of field service workforce management initiatives:

Hiring

- Forecast future service needs based on a combination of historical information, seasonal patterns, new product introduction and more.
- Build profiles of most successful field service agents. Extend profiles to encompass non-technical customer management capabilities.
- Look for relationship management capabilities in field agents to facilitate the diagnosis of broader customer challenges as opposed to the resolution at hand.

Onboarding

- Focus on a combination of classroom and field-based training programs for new hires.
- Engage new hires with all aspects of the field service business (dispatch, triage, call handling, field work) to enable them to understand groups impacted and processes enacted during day-to-day field service work.
- Assign field mentors or resources for every technician tied to skillset or areas of improvement.
- Connect service agents with account managers for full debrief of customer and account requirements.

Training and Performance Management

- Evaluate technician performance on a broader set of metrics such as productivity, efficiency and customer satisfaction.
- Unearth root cause of suboptimal performance in key metrics and emphasize or reinforce necessary skills during training. Fifty-seven percent (57%) of organizations indicate that first-time fix can be improved via more focused training programs.

Planning

- Leverage real-time performance data to augment historical patterns when determining service resource plans. Only twenty-one percent (21%) of organizations are actively seeking more historical data for field service planning

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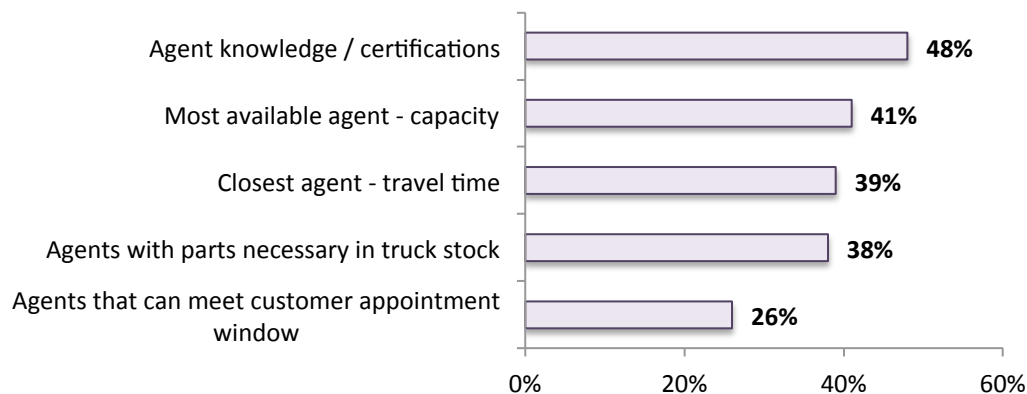
purposes while forty-three percent (43%) are looking to incorporate real-time data.

- Consider the inclusion of product portfolio age, new product introduction, parts obsolescence and more in demand forecasting decisions.
- From a workforce perspective, include resolution, schedule adherence, productivity, and customer satisfaction performance into resource planning initiatives.

Scheduling and Task Management

- Triage and diagnose service issues at the initial call stage to determine best path forward.
- Increase importance given to technician knowledge and skills in service task scheduling as opposed to pure territory-based allocation. Forty-eight percent (48%) of organizations are looking to better match service task requirements with skill sets in the next 12-24 months.

Figure 3: Information Needed at Task Assignment



Information needed at task assignment, Percentage of Respondents

- Do not underestimate the importance of customer- service agent familiarity in scheduling service tasks.
- Track task-level performance metrics such as:
 - o Closure and resolution rates and reasons for a failed resolution
 - o Average time to close particular service task (repair, replacement etc.)
 - o Customer satisfaction with service task
- Monitor agent adherence to established schedules in order to determine:
 - o Compliance with promised appointment windows to customers
 - o Schedule accuracy, feasibility and validity
 - o Agent inconsistency tied to breaks, travel times and absenteeism

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Incentives

- Align financial incentives with a cross-functional set of metrics that include productivity, customer satisfaction and efficiency.
- Provide incentives for leads identified or generated and stay away from sales quotas for service agents.
- Include team-based goals in performance and incentive determination.
- Provide non-financial incentives and recognition to field agents and groups tied to performance achievement.

Engagement and Retention

- Provide all levels of field service agents with access to group and organization-level performance.
- Provide agents with access to individual and team-based performance to drive alignment with organization goals.
- Capture technician feedback regarding work and measure employee promoter scores (internal Net Promoter Score or variant).

Outsourced Partner Management

- Base partner selection on their focus on key organization goals and related performance criteria. Do not outsource solely based on cost.
- Build visibility into partner impact on customer performance via customer feedback channels.
- Evaluate partner performance based on operational, financial, and customer-facing metrics.

Succession Management

- Retain retiring field agents as service experts or as trainers
- Make sure to develop a bench of talent at the field service leadership level, investing in the long-term growth of Generation Y to build a team of future service experts.

CONCLUSION

In the business of customer service and service delivery, people are the product. Those that work with customers to solve issues and add value quite often are the only organization representatives that come in direct contact with customers. It is vital that these front line agents are well versed in the mission and culture of the servicing organization and are provided the tools and knowledge that enable them to deliver the right level of service to customers. As a result, field service workforce management strategies need to extend beyond the scheduling and allocation of existing resources to the acquisition, management, empowerment and retention of the appropriate service workforce.

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The Service Council™ is an exclusive community of Services Executives representing global, industry-leading, service-centric businesses. The mission of The Service Council™ is to provide a platform for innovation sharing, shaping and sharpening; where uncommon service-centric businesses can emulate the strategies deployed by Global Service Leaders.

The Service Council™ presents its annual *Smarter Services*™ Executive Symposium in April – May. The Symposium provides an invaluable opportunity to meet and network with Services, Customer Experience and Customer Management Executives in an environment conducive to advancing Executive relationships.

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