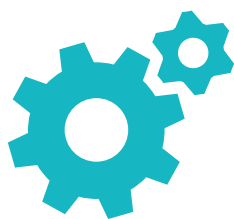


Industry Mojo

Nine ways to make your field service organization a profit center



Microsoft Dynamics 365
for Field Service

The goal of this eBook is to help you move your field service operations from a 'cost center' to a 'profit center,' and we'll outline nine ways to do that.

A 'cost center' is a division of a company mostly tied to, well, costs. Examples tend to include departments like Human Resources or IT. These departments are necessary to have, cost money, and don't directly have control over the revenue they generate. In many contexts, 'field service' divisions have operated like this for years.

A 'profit center' deals with revenue and has some control over the revenues and profits it can generate.

This eBook is about moving from a field service organization that costs money to a field service organization -- hopefully part of a bigger customer service ecosystem -- that produces money for you. Let's get started with the nine ways you can begin the transition to profit center.

1. Understanding your value



Revenue and profits essentially come from having a valuable service or product that people will want to pay money for. In order to be a field service organization that drives revenue, you need to do two basic things:

1. Have a useful product or service
2. Understand how to articulate the value of that product or service

Both are important, because if the product or service is bad, your customer base will dwindle. If you don't know how to articulate the value of the product or service you have, no one will understand exactly why they should choose you over a competitor.

Spend a good amount of time practicing and defining your value. Consider questions such as:

- What do we pride ourselves on?
- What can we do better than anyone else?
- What could a customer say that would make us really happy?
- What can we do better?
- What could a customer say that would make us really upset?
- What words do we want associated with us in the marketplace?



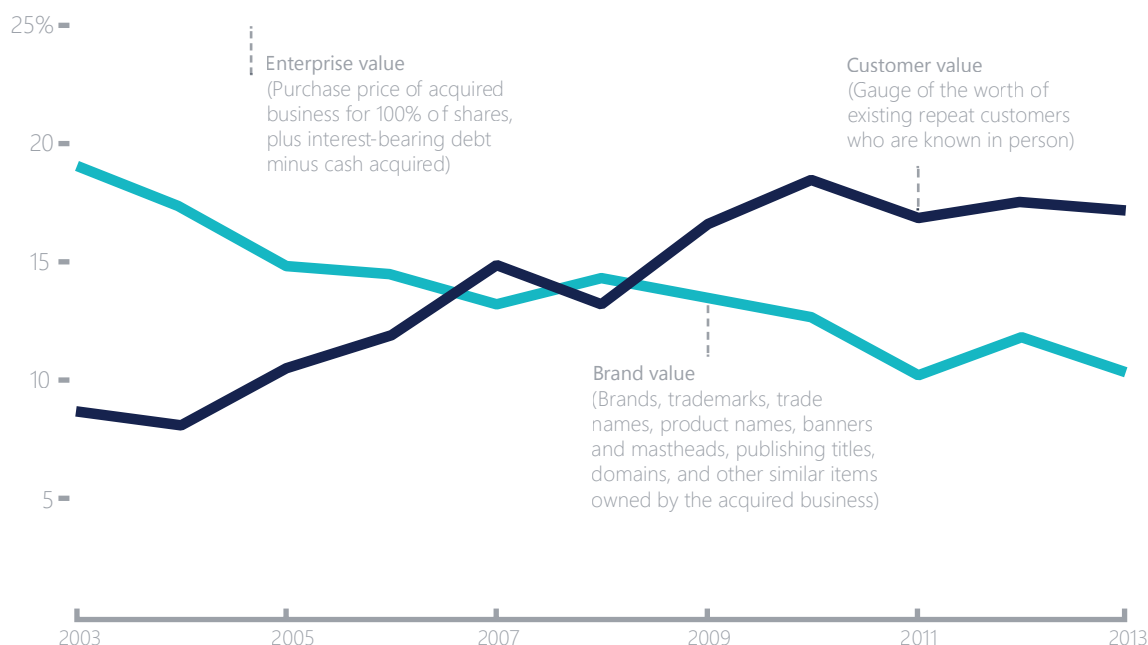
2. Focus on customer experience and customer journey



Customer experience is everything in business these days; in fact, from a sheer fiscal sense, strong customer relationships have a higher value than powerful brands:

The declining value of brands

Percentage of enterprise value



It's less about the 'brand' of your field service organization and more about how you deal with customers.

There are many ways to approach this concept, including 'customer journey,' 'persona modeling,' 'client modeling,' and other terms. All have value. Essentially, here is what you're trying to do:

- Define how the customer moves through your service process
- Figure out where the hard points might be
- Figure out how to smooth those over
- Have a plan for when something goes wrong or there are complaints

The easiest, but also most thorough, way to do this is to go through every step of the field service process from a customer standpoint -- from the very first step of realizing you need the help of a field service organization -- and try to play out as many scenarios as possible.

Remember: for years, one of the big mantras of the customer service space has been 'surprise and delight,' as in those are the two emotions you should be providing to customers. So, at every step:

- How could you surprise customers here with a new value-add?
- How could you delight customers with something they wouldn't expect?

If your planning is focused along those lines, you're on your way to being a profit center.

3. Align marketing and sales



Marketing and sales have been chasing different dragons seemingly forever. Consider this article from Forrester Research, [and specifically this section](#):

Over half of respondents — who were predominantly sales or marketing folks — described their working relationship as “Generally OK, but needs work.” The majority also agreed that it’s the combination of three factors:

- 1) Lack of communication or collaboration between marketing and sales*
- 2) Disparate/siloed systems, data, and processes that aren’t shared between the teams, and*
- 3) Getting measured by different objectives and metrics...*

In the simplest possible terms, marketing is a support function for sales. Any ‘marketing’ of your field service organization that you do should ultimately drive ‘sales.’ That’s how the two should relate to each other.

You need to get the two departments on the same page, though, whether that involves a monthly (or weekly) meeting or something else (like collaborative technology or shared documents). What needs to be addressed when the two sides meet?

- What is marketing producing that could help sales?
- Where can sales find this content?
- In what forms does it exist?
- What could sales be doing better?
- What could marketing be doing better?
- What resources does sales need but lacks?
- Is sales using the resources marketing is putting together?

You need regular check-ins on these types of topics because otherwise resentment can build between the divisions, with marketing believing they’re producing content that sales isn’t using -- and sales believing they’re being handed the wrong content for their needs.

Aligning how marketing and sales work together is a key factor in your push to be a profit center.



4. Have a productivity focus and use collaborative technology



Productivity should be a primary focus of most organizations, and field service is no different. Remember: even though many people in the modern era lead very busy, work-driven lives -- [55 hours per week of working is essentially a hard ceiling in terms of productivity](#). Your techs and managers will probably work more than that but you should aim for that number or lower. There's essentially not much difference in productivity between someone working 56 hours per week and someone working 80 hours per week.

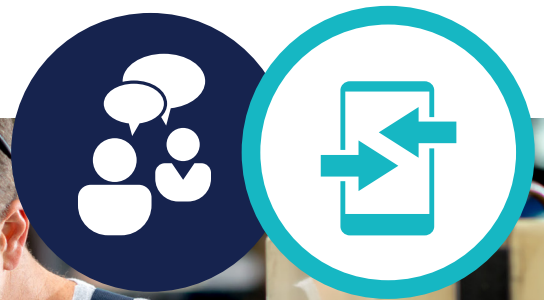
One of the major focuses of 'productivity' in an organization is eliminating what are known as 'time sinks,' or things that take up a lot of your time without a corresponding amount of value. [In businesses, these tend to be:](#)

- E-Mails
- Meetings

Reducing e-mails and meetings is crucial; people often forget that neither is actual work. They are just talking about or discussing work -- so when you are inundated with those, you still need to find time to do actual work. That reduces productivity.

One of the better solutions in recent years has been collaborative technology -- programs such as Basecamp, Slack, HipChat, Trello, Asana, and the like that allow an array of people to access the same information and store it together as well. This cuts down on e-mails and meetings where the primary goal is getting everyone on the same page about the location of resources; if the resources are shared collaboratively anyway, time can be saved answering questions around where things are located. With these tools, everything is stored for everyone to see. Most of these also work across multiple devices, too, so you can find what you need regardless of where you are.

In a field service organization, where techs are out on customer jobs all week, having collaborative spaces to share crucial information -- even if just a file storage system like Dropbox -- is essential for effectively, productively getting work done and keeping customers happy. Happy customers = profits, so you're still on your way here.



5. Relentlessly focus on mobile technology and Internet of Things integration



These two concepts will completely shift field service organizations in the next decade. Consider:

- Everything you do needs to be optimized for, and accessible from, mobile phones. This makes the work of the field techs much easier, and keeps the customers happy.
- [Internet of Things](#) technology, where devices are connected and can send and receive data, will allow you to service a device for a client before the client even has to call you. For generations, 'service' has been an 'after' concept: something breaks or performs poorly, and you're called to fix it. Now 'service' can become a 'before' concept: the customer doesn't even have to think about the device!

Other field service organizations will be focusing on these two areas, so you'll fall behind if you don't. You can argue that the Internet of Things is the most disruptive element of the field service industry ever.

In addition, Aberdeen Research has shown that field service organizations gain a [7% productivity increase just from going mobile.](#)

Your primary keys for everything involve (a) optimizing mobile and (b) making sure you're working with the Internet of Things. Without those two aspects, you will fall behind -- and obviously that's not ideal.



6. Optimize scheduling and inventory



Scheduling and inventory need to be seamless processes both internally (how your techs get scheduled and understand their schedules) and externally (how customers see it). Consider a worst-case scenario:

- Your tech isn't clear where to go, doesn't know what the problem is, and lacks the right parts to fix it that day.

Now contrast that with a best-case scenario:

- Your tech shows up early, knows exactly what needs to be done, and has all the necessary parts and elements in his or her truck; he or she can also bill the customer right from a phone, and the customer can sign right there too.

The first experience is painful for the customer and probably doesn't result in repeat business. The second experience is excellent for the customer and likely does.

The major difference between the two experiences, aside from the personality and warmth of the field service tech, is an organization that has optimized their scheduling and inventory to a seamless, integrated place.



7. Gain insights from customer data



'Big Data' is all the rage in business right now, [although some companies are going a bit overboard](#). In essence, the key isn't to track every possible piece of data in your company -- it's to track the pieces of data that will help your business grow.

In field service, you have a ton of customer data on devices, equipment, locations, preferred billing methods, regularity of service, and much more. All of this can be used to 'surprise and delight' the customer, leading to:

- Repeat business from them
- Referrals to other companies or individuals

If you know that a specific customer likes to be contacted on Wednesdays at 12 p.m., for example, set up a standing appointment with him or her. This will make your customer happy, and, because of a simple insight gleaned from data, you've now likely locked in that contract for years. That's a huge value-add, and a huge win -- and there are much more complicated iterations of that as well, all of which resides in the customer data you already have.

Imagine: a business advantage hiding in plain sight within information you're already collecting! Now go maximize it.



8. Use your techs as marketers and salespeople



As you grow into a profit center and business, you'll eventually need more people internally (more techs and managers). Typically, some of the best recruiting for an industry is done by people already within that industry who have a network of former colleagues, know what is necessary, etc. Leverage your existing staff as marketers and salespeople to grow internally.

Externally, it's similar. As we've discussed above, good service and customer experience begets referrals. Here's a career arc expert speaking to Wharton business school, for example.

I have been able to survive because I keep networks alive. For example, over New Years, I ran into someone who I may end up doing business with, who I hadn't seen in seven years, but because of the depth of the connection we had made, she immediately said, "Let's talk. I've got this opportunity." There's a real case to be made, first of all, for understanding that life is not linear, it's circular.

You will re-encounter people over and over again, and your past behavior will shape your future opportunities.

Past behavior shaping future opportunities is the cornerstone of business right now. Our worlds are increasingly subject to tons of content, data, social media pings, and new responsibilities at work. Field service has grown and scaled in the last 20 years, and will expand even more in the next decade. With distractions and new ideas flying everywhere, the only constant is legitimate human interaction. So if you're mastering that when dealing with customers, the business will continue to grow. That's the surest path to being a profit center.



9. Treat service as a business line



This is simple, but very important -- for field service to be viewed as a profit center, it needs to be treated as a profit center. Use terminology and concepts that any profit center would use. Speak in terms of revenue decisions and growth. The more this happens, the more the entirety of the business ecosystem will begin to view you as a profit center.

Field Service technicians should identify and create opportunities for the organization, while researching competition, and ensuring customer contacts are accurate.

Schedule optimization helps companies be more profitable. By using Microsoft Dynamics 365, technicians can dramatically increase the amount of appointments they're able to have each day—improving productivity and profitability.

IoT provides field service technicians with the diagnostics to improve first-time fix rates, and reduce unnecessary onsite visits.

By measuring rates, appointment volumes, malfunction frequencies, and much more—technicians can identify and leverage the opportunities to make service a profit center.



The transition from cost center to profit center is often a major undertaking. It's ultimately the result of strong planning and a fundamental focus on customer needs. Utilizing current technology, optimizing scheduling and inventory, delivering the best customer service possible is crucial for emerging as a profit center.



We can help you become a field service profit center. Contact us for more information.

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