An *SFG℠* Analysts Take

Lessons Learned from WBR's 2019 Field Service Palm Springs Conference

How FSM Solution Vendors and FSOs Are Advancing Service Together

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A Special *SFG℠* Analysts Take
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Introduction to 2019 Field Service Palm Springs: Advancing Service Together!

Since 2003, WBR has been bringing together the world's leading services organizations to "benchmark, establish best practices, embrace new technologies and build a strong network to enhance its attendees' services businesses and field operations." Each successive conference over the past 16 years has provided participants with "future-facing content and a mix of interactive session formats that ensure [they can] learn and network most effectively." As such, these annual (and mid-year) Field Service events are designed to set up its attendees "for maximum profitability and competitiveness in [their] service business."

And this year's Palm Springs event did not disappoint, as the roughly 850 onsite attendees would most likely attest!

The main theme for WBR's 2019 Field Service Palm Springs conference was billed as "Advancing Service Together" – and the succession of speakers, presenters, moderators, panel participants and practitioners all supported that theme throughout the conference by sharing examples (i.e., mostly success stories) about how it takes a strong commitment to teamwork to have any chance of meeting, let alone exceeding, management goals for improving employee and customer satisfaction – while at the same time, driving increased services revenue streams and making a profit by doing so.

In fact, there appeared to be more focus on the importance of attaining high levels of employee satisfaction and retention (and their linkages to customer satisfaction and retention) in the 2019 Palm Springs conference than in any of the past WBR Field Service events in recent memory.

> *"What struck me most about this year's Field Service Palm Springs event is the overall progress of the industry – it was far more conversational this year among service executives. Rather than a few innovative leaders speaking up and the majority of attendees listening and learning, there was far more collaboration. It was clear to me that we've moved beyond an advanced few tackling the service evolution to now everyone being somewhere along the journey. This made for a far more engaging dialogue among attendees, presenters, and the vendor community."*
>
> *- Sarah Nicastro, Field Service Evangelist*
> *Future of Field Service*

Each of the two Main Days of the conference had a particular focus, beginning with Day One setting its sights on "Leveraging IoT, Big Data, and AI To Move Towards Preemptive Service And Achieve Customer Business Outcomes"; and Day Two focusing on "Increasing Revenue With New Service Offerings And Knowing What Your Customer Wants."

Main Conference – Day One

Sara Mueller, Portfolio Program Director, Field Service at WBR, opened Day One of the Main Conference with her Welcome Remarks and Ice Breaker by sharing a slide that simply stated, "Success and customer satisfaction are the result of consistent intentional actions." To that, she added, "The move from reactive to proactive is a Journey" – a consistent message that the rest of the day's presenters would be incorporating into their sessions in greater detail.

Throughout both days of the main conference there was also a resounding sub-theme that acknowledged the importance of the direct linkage between customer satisfaction and employee satisfaction, as well as how that linkage – once successfully cultivated – can ultimately lead to higher levels of both employee retention and customer loyalty.

In fact, this theme seemed to permeate virtually all of the presentations over the two main days of the conference – of course, along with the overarching theme of Servitization!

Summary of Day One Presentations and Panels

Gary Brooks, Chief Marketing Officer at Syncron, served as Chairperson for the Day One sessions, and provided the opening address on the topic of "Redefining Service To Succeed In A Servitization-Centered Economy." Among the first things he spoke about was the fact that there has been an industry-wide move to "stop selling products, and start selling the outcomes of products." He quickly went on to say that, "That's just the way that we do things; but in every generation there are people who make changes that create innovations – to get out of the box!"

A key example, according to Brooks, is that, currently, "Today's cars are parked 95% of the time." And, as such, why are people still buying cars – probably the second-highest purchase of their lives, next to their home – just to let them sit idle 95% of the time? Just as Netflix has replaced Blockbuster, Google has replaced AOL, Apple has replaced Blackberry, and Uber is in the process of replacing taxis, when will the transition from buying cars to buying "Cars-as-a-Service" finally take place?

> *"The journey from a product-based break/fix model to an outcomes-based Servitization model" will define the future of Field Service"*
>
> *- Gary Brooks, CMO*
> *Syncron*

Brooks closed his morning keynote by suggesting that "These are the most exciting times with regard to innovation – AI (i.e., Artificial Intelligence), ML (i.e., Machine Learning)." He went on to say, "In ten years, 80% of customers will be buying products as a service," and that "We can't use the same thinking of the past to solve the problems of the future."

Following Gary Brooks' keynote presentation was Moe Mustafa, VP, Technical Field Service – Southeast, at AT&T, who spoke on the topic of "Building A Culture Of Great Customer Experience With AT&T's CODE Program." The CODE program, developed in conjunction with McKinsey & Company, has been used by AT&T to train more than 60,000 front line employees (i.e., technicians) at a cost of US$60 million.

The acronym, CODE, comes from the following four areas:

- **C**are about our customers
- **O**wn it
- **D**eliver with confidence
- **E**xceed expectations

CODE was originally adopted from DirectTV best practices, designed to provide a competitive differentiator for AT&T. Training started in 2017 with an anticipated completion goal of 2019. The main focus of the program is to effect "cultural and behavioral changes;" provide a pathway to an "enhanced common and consistent approach to customer interaction;" and "improve customer interaction and soft skills."

The "promise" of the CODE program is to "Build an everlasting relationship with people. With every hello, handshake, and 'I can help you with that', make each AT&T experience better than ever." Further, "[For] Every moment, big or small, we make it personal, effortless, and inspiring when we live the Code."

The following represent the primary tenets of each component of the CODE approach:

1. *Care About Our Customers – Show you CARE & make a connection*

• Actively listen to our customers
• Put yourself in our customers' shoes
• Be open, friendly and genuine

2. *Own It – Don't pass the buck … If you can't fix it, find someone or a resource that can help you*

• Ask insightful questions to confirm understanding
• Take ownership and commit to finding the right solution
• Keep it positive and focus on resolution

3. *Deliver with Confidence – Communicate clearly & openly with authority politely*

• Communicate with our customers throughout the job
• Use clear, simple language to explain the resolution
• Speak and act with assurance

4. *Exceed Expectations – Go above and beyond and do something extra*

• Go the extra mile to create "wow" moments for our customers
• Share features and tips on where to find additional information
• Show sincere appreciation and thank them for being our customer

According to Mustafa, the CODE training and communication strategy consisted of the following:

Training

• 16 hours total
• Four 4-hour modules
• Instructional and role play
• Skip level

Cultural Shift

• Strong initial implementation
• Senior leadership endorsement
• Creative communications
• Effective recognition
• Regular reminders

As such, the principal benefits from the implementation of CODE are;

• Consistent approach to customer interaction
• Improved employee engagement
• Skip level training approach
• Improved quality metrics (10% - 20%)

• Improved customer NPS (20% - 30%)
• Improved WTR (15% - 20%)
• Sharing best practices
• Significant customer referrals.

The benefits of CODE are further supported and recognized through a process that includes:

- "Week in the life of a Supervisor"
- Huddles
- Coaching sessions
- Customer Experience through quality metrics
- Issue identification and problem resolution
- Individual performance accountability
- Quality checks
- Process confirmation
- Recognition and Code Central

There are also a number of specific ways in which adherence to the CODE approach is recognized, including:

- Demonstrated behavior
- Reinforcing behavior
- Driving Customer Experience metrics
- Monetary award for each CODE pillar
- Additional monetary award once C-O-D-E is reached
- Public recognition

> *"When I walk into somebody's house, I walk in like I'm going to my Grandmother's house!"*
>
> - Moe Mustafa, VP, Technical Field Service – Southeast
> AT&T

Mustafa also pointed out that these forms of recognition were always followed up along with a handwritten note sent directly to the employee's home so the technician could share the recognition – on a personal basis – with his or her spouse, partner and family.

The acceptance of the CODE program from AT&T technicians was extremely positive, as evidenced by some of the quotes that Mustafa shared, including; When I walk into somebody's house, I walk in like I'm going to my Grandmother's house!" and "Once you're in their home, they think you're the handyman!" – (which, admittedly, may become problematic at some point.)

Mustafa closed his presentation with a slide that simply stated "CODE'm UP"

The next presentation was made by Laura Laltrello, VP and General Manager, Data Center Services, at Lenovo, on the topic of "Transforming From A Product Company To A Customer Experience Company." She started her presentation by saying, "It is cheaper to save happy customers – and [it's] more profitable!", plus, "You can also reduce your costs by 15% to 20%." The way to do this is, "You need to monitor the business like you can [for a patient] in a hospital."

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Companies that can successfully make the transition from a Product to a Customer Experience focus are also more likely to benefit from:

- 2.4 times more spend of a happy customer *vs.* unhappy
- 16% price premium driven by great experience companies
- 77% of customers who will recommend [the] Brand after a positive experience
- 67% spend increase of loyal customers *vs.* new ones

"50% of the S&P 500 will be replaced in the next 10 years, and businesses of all types and sizes must change their focus from Products to Customer Experience if they want to thrive – let alone, survive!"

- Laura Laltrello, VP and General Manager, Data Center Services
Lenovo

She also warned services businesses to "avoid extinction" by making "customers and data your most valuable assets", and to "Define and align on the role and significance of each type of customer."

The question was also asked, "Is your technology enabling you, or are you constantly enabling your technology?" – with Laltrello emphatically citing the former as the obvious way to go.

The presentation closed with the following four guidelines for a successful transformation:

- Build real-time workflow analytics [not dashboards] for the decision makers [not executives]
- Build a structured data platform from your customer's point of view
- Empower your employees to take quick action to protect your customers
- [A repeat of:] Make customers and data your most valuable assets

The next Day One morning session was a Case Study focusing on "Empowering the Field", presented by Brian Zenz, Operations Director, SBA Communications, and introduced by Paul Whitelam, SVP Marketing, ClickSoftware. The case study was based on the successful outcomes that SBA Communications has realized as a result of implementing Click's Service Edge solution.

SBA generates revenue from two primary business, as follows:

- *Site Leasing* – Leasing antenna space on its multi-tenant towers and other structures to a variety of wireless service providers under long-term lease contracts, and
- *Site Development* – Assisting wireless service providers and operators in developing their own networks through site acquisition, zoning, construction and equipment installation.

In addition, SBA works with property owners to strategically develop and monetize the wireless infrastructure potential of their real estate assets.

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SBA's Regional Site Manager (RSM) Team can be characterized as follows:

- Operates 28,000 sites across the western hemisphere, and manages an additional 9,000 for third parties
- Approximately 18,000 of these sites are operated in the United States
- As of Q1, 2018, these sites were managed by approximately 64 RSMs nationwide, reporting up through five Area Operations Directors (AODs)
- RSMs are responsible for all safety, maintenance, compliance and marketability for their portfolio of sites
- All sites are inspected annually (at least), in addition to being onsite for construction, zoning and legal issues, landowner meetings, escaped cows, homeless camps, tower jumpers, etc.
- RSMs (now) perform about 85% of their tasks in the field on an ongoing effort

> *"My takeaway was that field service leaders seem increasingly aware that technology on its own is necessary but not sufficient to deliver value to the business, and they are paying appropriate attention to implementation and change management considerations. This is obviously critically important, and we'd encourage buyers to really dig into vendors' experience, track record and case studies."*
>
> - Paul Whitelam, SVP Global Marketing
> ClickSoftware

According to Zenz, SBA's greatest operations challenge, going back to 2016, were:

- Inconsistent expectations area-to-area
- Inconsistent performance from RSMs, leading to an uneven experience for customers
- Too many inputs for each RSM; hard to "wrangle", let alone track
- Too difficult to plan and plot schedules; 45 to 90 minutes at a minimum spent on daily planning – and it still went poorly!
- Lack of measurables; mid-year review challenge
- Remote employees are sometimes "lazy" employees; average truck start time in 2016 was 10:23 am!

The solution that SBA needed to build was comprised essentially of Control, Accountability and Profit, including:

- Control: No dispatchers, no new layers of control
- Control: The magic "Reject" button
- Accountability: Everyone sees everyone
- Accountability: Report, analyze and compare
- Profit: Improve, or be removed

The solution for SBA provided by Click's Service Edge offering yielded the following results on behalf of SBA:

- No added dispatchers; no one new to "report through"
- "Full" Service Edge access makes everyone a dispatcher, and maintains a "management feel"
- The critical Reject button ensures that all tasks that are unscheduled are (attempted to be) justified (i.e., due to rain days, conflicts with doctor appointments, etc.)
- Staff improvement opportunities abound
- Accountability for RSMs by management, as well as by peers
- Accountability for AODs by management, as well as by peers and RSMs
- Reporting is replaced by real-time visualization (and then supplemented by, well, reporting)
- Comparing performance across regions and Areas (i.e., tearing down walls, while building a stronger foundation)
- Headcount utilization and productivity improvements (i.e., reduction in number of RSMs from 64 to 50, and increases in the number of sites per RSM from approximately 275 to roughly 360 (i.e., in just a 9-month period following implementation)
- Reduction in the number of site inspections from as high as approaching 1,900 per month, to only about ± 1,200 per month
- Reductions in number of overdue inspections from roughly 1,000 per month to just over 100 per month

> *"I heard the same thing over and over: 'we did deploy tablets in the field,*
> *but six months after deployment no one was carrying them anymore.'*
> *I would tell everybody the same thing, 'Tablets are just like hammers,*
> *you can't expect your teams to carry them in their hands all day long,*
> *you need to provide them with a carrying solution as well.'"*
>
> *- Andrew Hamra, CEO*
> *RUNNUR*

The improvement in key metrics from pre- to post-implementation were significant:

- Decrease from 64 RSMs at launch; to 48 RSMs today
- Increase from 280 sites assigned to RSMs at launch; to 360 sites today
- Increase from roughly 9 sites visited, per week, per RSM; to 20 sites today
- Increases from 4 hours:49 minutes in the field; to 8 hours:28 minutes
- Reduction from 60.4 miles driven per site visit; to 48.2 miles
- Reductions in average backlog from roughly 1,000 tasks; to less than 200
- Earlier average start times, from 10:23 am; to 8:12 am
- Later average return times, from 2:23 pm; to 4:40 pm

Zenz closed out his presentation by discussing SBA's path forward for continued improvement:

- Continue to take advantage of improved visibility & analytics to identify & appropriately improve the team
- Expand Click Service Edge to other teams, and further empower the RSM team with vendor controls
- Semi-annual review of data to revisit staff levels, as well as Regional boundaries
- Change policy to meet SBA's new-found capabilities

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The first of the Day One panels focused on the topic of "Data Collection And Analysis: Slicing And Dicing To Greater Service Outcomes." Panel members included Len VanderHulst, Head of Service Business Development, Global Service, Mettler-Toledo; Suzanne ElNaggar, Director, Worldwide Customer Success, Data Center Systems, Western Digital; and Alvaro Pombo, CEO and Founder, ProntoForms. The panel moderator was Vivek Shah, Senior Product Director, Syncron.

Shah opened the discussion by asking a number of questions, including: "How are you collecting the data?", "How do you use it?", and "What's missing?"

According to VanderHulst, services organizations need to "collect data centrally, standardize it on one platform, and accept data collection as a part of doing business." Further, he explained that "you have to merge the data from individual silos, and gather it together," and that "information in a spreadsheet is just numbers and figures! You need to look at it in real time!"

Alvaro Pombo is a "big believer in organic structure" suggesting that "the best sensor you have in the organization is the human!" He went on to say that, "it's an ongoing process to fine-tune and adjust the process of data collection – it's an organic process. You cannot force this on people – you need a process."

> *"The glue of data is context. You need to gather data from the outside in.*
> *You're asking the technician and customer to collect the data – why?*
> *Why do you have to ask the customer 'how many people are in the room?'*
> *when you can just take a picture? That's less work the customer has to do!"*
>
> *- Alvaro Pombo, CEO and Founder*
> *ProntoForms*

Suzanne Elnaggar asked the rhetorical question, "Are you collecting data that helps you to tell a story?", and explained how the answer to that question relates to the feeling of "when the customer gets excited that you and they have the data that solves a problem."

Further, "You need to paint a different picture for everyone For some, it's the financials; for others, it's something else. The data is all true, but it has to be painted separately for each user." Elnaggar also warned that, "Older data doesn't completely lose its value – it just has a different value. You'll need it for things like Machine Learning applications."

VanderHulst agreed by saying that, "You don't need to keep repetitive serial number data – the serial number doesn't change!" and "The data collection process is not just a one-way process! It's a closed-end loop!"

Pombo shared his thoughts by saying that, "We were trained in an era of scarcity of data. We never had to think in time series; but the next generation already thinks in time series!" He closed by saying that, "It's a long journey – but we're just starting! It's very exciting!"

Next up was Stacey Epstein, President of Zinc, newly-acquired by ServiceMax, who spoke on the topic of, "Don't Stop At FSM: How FSM Has Matured And Where To Go Now." Part of the focus of her presentation was a mini-case study of the success of Schneider Electric as realized through the implementation of a ServiceMax/Zinc solution. For example, the most compelling outcomes for Schneider were:

- Services revenue growth of 10% to 15%, year-over-year
- Direct correlation between installed base data and service revenue
- Preventive maintenance contracts leverage
- Added value for the customer *via* IoT integration
- Better outcomes by making the right product information available to the technician

The ServiceMax/Zinc solution provided Schneider with a "System of record for equipment data" that is "accurate 'as maintained', as equipment data is critical for effective service execution." As such, the solution provides linkages between and among components of the business, including ERP data, HCM Workforce data, EAM Planning data and CRM Customer data.

According to Epstein, the answer to the question, "What's Next", can best be represented by, first, understanding; and next, taking advantage of, the linkages between Field Service Management (FSM) (i.e., in support of the Customer Experience, Workforce Engagement, 3rd Party Technician Management, Real-Time Communications, Predictive Maintenance, Managing Complex Jobs and delivering Connected Field Service, etc.) and emerging scenarios relating to Conversational UI (i.e., Artificial Intelligence/AI and Augmented Reality/AR), Next Generation Scheduling, the Gig Economy, Self-Aware IoT and Prescriptive Maintenance).

"Aim Small; Miss Small!"

- Chad Williams
Former U.S. Navy Seal & Bestselling Author of SEAL of God

Closing out the Day One morning sessions was guest motivational speaker, Chad Williams, Former U.S. Navy Seal & Bestselling Author of SEAL of God, who shared his "7 Leadership Takeaways From A Navy Seal."

Although words themselves cannot convey the excitement, motivation and enthusiasm emanating from Williams's presentation, there are still some concrete takeaways as they relate to any services business, as follows:

- Aim Small; Miss Small (Bring the focus in!)
- Common Man with an Uncommon Desire to Succeed
- Humbly We Serve (Servant Leadership)
- Deal with Adversity
- Earn Your Trident Every Day
- Control Your Emotions and Act Regardless of the Circumstances
- In the Worst of Conditions, I Will Rely on the Legacy of Those Who Have Gone Before Me

Following Lunch, Track B: Team & Talent opened the afternoon sessions. Track Chair, Paul Hesselschwerdt, President, Global Partners Training, opened the session by explaining why Talent Management is so critical, as the average age of Field Service Engineers (FSEs) in the United States and Canada is currently over 50; and the median tenure in current job for this segment has declined from 4.6 years in 2014, to only 2.5 years in 2016 (and from 3.0 years for the age category 25 to 34 years, to 2.8 years in 2016 (Source: TSIA).

> *"People are the only sustainable differentiators you have, and every single workforce is unique, with its own competitive differentiation and competitive advantage."*

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- Paul Hesselschwerdt, President
Global Partners Training

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He went on to list the five things that services organizations must learn to do in order to be successful as "How to …":

• Recruit people for new field service roles
• Adapt Talent Management practices to deal with increased complexity of field service work
• Recruit, retain and develop talent that meets the needs of the changing workplace
• Contribute to the mental health of your field force
• Enable and empower field service people to create an outstanding Customer Experience

The first of the Track B presentations was then made by Billy Wang, SVP and General Manager, MaxGen Energy Services, on the topic of "Talent Recruitment And Engagement." MaxGen is the nation's largest independent service provider for renewable energy, focusing in the commercial, industrial and utility segments (i.e., scale solar); and commercial and industrial electric vehicle charging.

According to Wang, MaxGen mantra is:

• *Hire* – (e.g., from adjacent industries, technical schools, the Military; plus the use of a contingent workforce, as needed)
• *Train* – (e.g., Adult learning, technician levels, OJT/mentors and knowledge-on-demand)
• *Motivate and Retain* – (e.g., career path, mentoring, peer recognition, continued learning and experiences)

Wang also cited Peter Drucker's quote, "Culture eats strategy for breakfast" to set the stage for the remainder of his presentation.

MaxGen's use of Knowledge-on-Demand includes a library of short videos and interactive learning modules, with their respective formats and lengths tailored to today's adult learner. The company also provides employees with short news and information updates, so employees can learn more about what is going on with the company, hear about what their peers are doing, and join in the social conversation. Wang stressed that the costs associated with doing so are not particularly expensive, as the videos are produced simply using an iPhone 7 and an easy-to-use app.

MaxGen also provides recognition to its employees through its Own It award program, based on:

- Peer-to-peer recognition
- Shared company-wide *via* social platform
- Reinforcement of the company's values
- Drive the culture

The key closing points of Wang's presentation were:

- Make sure your Hire, Train and Retain strategies are aligned
- Tailor your execution and delivery to your audience
- Don't be afraid of technology
- Culture happens!

The second panel of the Day One sessions was on the topic of "Meeting Demands Of Increasing Complexity In Field Service Work", moderated by Kris Oldland, Editor-in-Chief, Field Service News. The two panelists were: Mynul Khan, CEO and Founder, Field Nation; and Timothy Gallegos, SVP Operations US Region, Getronics.

"Bigger challenges lead to bigger complexities, and as such, Field Service Management is now more complex, as well. That's why you need the technology, the KPIs (i.e., Key Performance Indicators) and the tools."

- Kris Oldland, Editor-in-Chief
Field Service News

Khan suggested that, "Customers are demanding service and support at any time, [and as a result] product-based organizations are moving more toward Servitization." He went on to claim that, "Every touch costs you money; that's why you need the technology! You need a blended workforce – and a solution that manages it!"

Gallegos also proclaimed that, "We need to take the rigidity out of our field service model" [because] customers expect a seamless experience."

Khan followed up by saying that, "It's no longer just scheduling and dispatching. It's much more complicated than that. You need the right person, with the right training, and the right tools to support the customer." He elaborated by saying, "We're betting on the blended workforce. A blended strategy is the biggest trend in field service. Transparence is [also] key. Customers demand to know who's showing up, with what credentials."

Summary of Day Two Presentations and Panels

Attendees at the Day Two morning session were once again welcomed by Sara Mueller, who got the day's events off to a warm and energetic start. Chairperson John Hunt, Managing Director EMEA, Astea International, then made his opening comments focusing on the applicability of certain work/life experiences as to how they apply to the Total Service Lifecycle, including Field Service Management.

According to Hunt, "Your collective experiences may not be reality. You've [just] been trained to think that way." He also warned about the importance of the work/life balance by stating, "Don't make your field techs miss their kid's buzzer beater because you're not running an efficient services operation!"

Lastly, he cited a quote from Mario Andretti that pretty much summed things up: "If everything seems under control, you're just not going fast enough."

Next up was Buddy Saucier, VP HVAC Service, Johnson Controls, to talk about "Aligning Your Team's Compensation To Drive The Right Financial Outcomes." He began his presentation by highlighting the importance of an employee compensation plan in an organization, in terms of the following benefits:

Company Benefits

- Productivity
- Organizational effectiveness
- Attraction and retention
- Business success

Employee Benefits

- Security
- Engagement
- Motivation, belonging and high morale
- Personal growth

He went on to explain that these benefits would ultimately apply to all employee levels within the company, including:

- Frontline Sales & Managers
- Frontline Service Managers
- Administration
- Technicians
- Sub-Contractors

Saucier then presented more detailed information relating to the goals, consideration and challenges of any compensation program:

Goals

- Long-term business strategy
- Financial plan alignment within an organization
- Metrics – leading and lagging indicator-focused

Challenges

- Multiple plans – drive different outcomes
- Access to data – compensation tools
- Build the plan – Launch the plan – Work the plan
- Deferment

Considerations

- Short-term business strategy
- Single line of site contributor
- Products – transactional, renewable, major projects
- Teaming – shared resources and tools
- Cross-selling between businesses

The key planning activities – Research, Build, Procrastination, Launch – were then summarized:

- Financial goals – Strategy – Gaps
- Seek voice of the customer
- Analyze financial and metric data
- What can I afford – and the return
- Large *vs.* small markets – historical trends
- Products – Services – Solutions
- The larger the organization, the more complicated

- Plan complexity
- Include business partners
- SPIFFS – Short term – Alignment vision & objectives
- Analysis by paralysis
- We are different
- Make a decision

A typical Compensation Plan alignment, by role, was then presented:

Sales

- Single contributor Line of Site + Kickers
- Monthly payout
- Sales volume – Kickers on margin

Service Managers

- Line of site +Team component + Kickers
- Quarterly or annually
- Secured Sales + Direct margin +EBIT +SPIFFs

Administration

- Line of site +Team component + Kickers
- Quarterly
- Secured Sales + Direct margin +EBIT +SPIFFs

Technicians

- Single contributor +Team
- Weekly
- Sales direct margin +Branch or team goals +SPIFFs

"Never, ever, compensate people on KPIs – KPIs can be manipulated.
Instead, use revenue, margins and the bottom line."

- Buddy Saucier, VP, HVAC Service
Johnson Controls

Finally, Saucier closed out his presentation by citing "Lessons Learned and Best Practices" that reflect when these plans all come together:

- Align financial outcome goals – Metrics – Plan, by role
- Include IT, HR and, naturally, Finance in planning
- Invest in robust compensation systems
- Keep it simple – BUT, fill the gaps and pay close attention to definitions to prevent "bad intent" interpretations
- Leverage SPIFFS for quick wins
- Implement overlap in plans to drive teaming
- Launch plans early in the year
- Make plans and actual easily visible
- Recognition – Teaming – Engagement
- Ensure timely payouts
- Never defer
- It will never be perfect!

Following next was David A. Troll, VP, Business Development & Account Management, Dish Smart Home Services, speaking on the topic of "Diversifying Revenue Streams To Expand Your Service Business." He began his presentation by proclaiming that, "Service is a growth strategy!", but warning that, "Field technicians are not sales people. We've trained them, but they're not sales people. [However,] Customers listen to them and depend on their advice." He then stressed the importance of "Bridging the gap between people and things."

Troll's advice for creating your "ah-ha moment" was simply:

- *Assess your Assets* – For example, Dish presently has the capacity to serve more than 800,000 customers a month; has a national footprint; and operates 8 regional training centers with 10,000+ technicians trained annually.
- *Invest Time and Resources* – Dish continually invests in technology and system upgrades; believes that "training and parts perfect the end-to-end experience; and applies its investments to ensure that "the right people get the job done right."
- *Commit to the Plan* – utilizing all of the assets, tools and technologies available

"This year's Field Service Palm Springs event was an energetic gathering of service leaders ready to take on real business transformation. It is exciting to see companies embracing technological advancements from leaders like IFS in an effort to become increasingly strategic and competitive on the path to Servitization."

- Marne Martin, President, Service Management, IFS and CEO, WorkWave

Next up was the day's third panel on the topic of "Expanding Your Digital Platform Of Intelligent Services For Greater ROI." The panelists included Dane Taival, VP & General Manager, Thermo King Corporation, Ingersoll Rand; Anthony Moffa, Senior Director, ThingWorx Product Management, PTC; Sahir Sait, VP of Product, Ayla Networks; and Charles W. Johnson, Senior Manager, Multi-Vendor Projects, Philips Healthcare.

Anthony Moffa started by addressing the question of "build *vs.* buy" by saying that, "If we build it, we have to maintain it. I'd rather focus our resources on our product development." Charles Johnson responded by saying "I would rather outsource – as an insurance policy," although Sahir Sait warned that, "you'll need to get everybody in the room before you make your decision." Johnson then added, "Without a formalized plan for change management, things won't go well! A plan ensures the ability to move forward with a near-seamless process. Your advisory group has to be influencers."

Moffa continued the discussion by citing, "You can't just throw data at Machine Learning! If the ML algorithm predicts the unit will fail, you need to let it fail to prove the algorithm right. You can't pre-emptively do the repair. It's an awkward situation!" He then explained in greater detail that, "ML works – but it doesn't work on everything! You really need to understand what your tool does, and use it accordingly. The data derived from ML can help the technician learn more about the unit when they arrive onsite." He further explained that, "Now, customers can do Tier 1 or Tier 0 repairs without a field tech being involved. It empowers the customer and provides a level of self-gratification. The younger tech force is already used to looking things up on Google or YouTube."

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Bill Pollock, President and Principal Consulting Analyst, **Strategies For Growth℠**, chaired the Day Two: Track A afternoon sessions, and focused his opening remarks on the topic of "Establishing and Maintaining Successful Service Partnerships," beginning with a slide series that illustrated how the most successful services organizations have, over the years, already made the move from operating in a reactive (i.e., "order taker"), to a proactive (i.e., "sales influencer"), to an interactive (i.e., "partnership") mode.

> *"A true Vendor-Customer partnership requires the existence of an*
> *'Interactive Services Partnership' between the parties."*

> *- Bill Pollock, President & Principal Consulting Analyst*
> *Strategies For Growth℠*

He also presented material that describes how the path toward an Interactive Services Partnership with Customers actually goes through three major stages of Partnership Evolution, with Employee and Customer Satisfaction and Loyalty planted squarely in the middle:

Quality and Delivery

- Service Quality System
- Operational Productivity
- Market Quality Awareness
- Service Delivery

Satisfaction and Loyalty

- Employee Satisfaction
- Employee Loyalty
- Customer Satisfaction
- Customer Loyalty

Growth and Partnership

- Service Portfolio Enhancement
- Customer Reliance
- Successful Customer Partnership

According to Pollock, "In a reactive environment the services organization simply waits for the customer to call to report a failure, and then it reacts. In a proactive environment, the vendor actively promotes its portfolio of services to the customer, but generally within the context of saying *'here's what we have; what can you use?'* However, in an interactive environment, the question becomes more, *'what do you need; and how can we support that need?'* – a very subtle change, but one that is a prerequisite for the foundation of any true interactive partnership."

He went on to say, "Interactive partnerships also require that vendors cultivate partner relationships with *all* of their customers, including internal and external customers; small, medium, large and key strategic accounts; new and older accounts; vendors and suppliers – *all* customers. The partnerships must be *real*, and represent a "two-way" street. The partnerships must also be formed to benefit both parties in every case – not just one.

The first presentation for the Day Two: Track A sessions was made by Tad Drescher, Manager, Field Service Technical Operations, CableONE, on the topic of "Streamlining Communications Between Technicians And The Dispatch Center." He opened his presentation by stating that, back in 2012, CableONE's Dispatch Communications Strategy was essentially "Phone Calls!!!!!! – Tech to Dispatcher, Tech to Customer, and Dispatcher to Customer."

However, there were significant improvements made through 2014/2015, primarily in the following areas:

Automation of Appointment Reminder and Technician "On the Way" Phone Calls

- 70% appointment confirmation
- Dispatch no longer calls customers – Technician makes final attempt

Launch Collaboration Tool

- Tech to Dispatch
- Tech to Tech

However, the most significant improvements were realized from 2015 to the present, through the following:

- *Chat Messages* (i.e., Queuing management)

- *Changing Tech Behavior* (i.e., give them the tools to do it themselves)

- *Move from Dedicated Dispatcher Model to Divisional Team Dispatch Model* (i.e., queuing management of Chat Messages, and Help Desk)

As a result, the average number of Chat Messages has since declined (since 2015) from 100,000+ per month, to just over 20,000; and average wait time has declined from more than 6 minutes, to just over 1 minute. This has also resulted in a decline in the number of field techs from approximately 1,100 to roughly 750.

Finally, the Dispatch Communications Strategy for 2019 and beyond is now based on the following:

- *Text Message Appointment Reminders and Technician "On the Way"* (i.e., Improve appointment confirmation from 70% to 90%)

- *Chat Bots / Virtual Assistant* (i.e., 65% of chat messages are non-value-add; move toward monitoring of signal levels of Customer's modem)

- *Autonomous Technicians*

- *100 Techs per 1 Dispatcher*

The next presentation was on the topic of "The Past, Present And Future Of Telematics And Autonomous Vehicle Features," presented by Marco Della Torre, CTO, Derive Systems. Della Torre opened by defining the "Smart Device Revolution" as starting in the 1970s with the PC; and moving from smartphones and apps in the 2000s; to thermostats, doorbells, ovens and more in the 2010s. He then raised the questions, "So why is the biggest electronic device in our lives (i.e., our vehicle), also the least smart, connected or integrated? Why, unlike every other smart device in our lives, don't vehicles ever get new features after we buy them? [and] Isn't it time our vehicles graduated to keep up with the intelligence of all our other devices?"

He then outlined and explained the Society of Automotive Engineers (SAE) Automation Levels as:

- No Automation
- Driver Assistance
- Partial Automation
- Conditional Automation
- High Automation
- Full Automation

As Level 0 was in the past, "today's most advanced (and expensive) new vehicles are Level 2/Level 3 part-time." However, "experts today generally agree that a majority autonomous industry is 10 to 30 years in our future."

> *"Fleets have a wide variety of missions, but safety and cost efficiency are critical across them all. Drivers choose how to carry out these missions, and their driving patterns have the biggest impact on the safety and cost efficiency of the fleet."*
>
> *- Marco Della Torre, CTO*
> *Derive Systems*

Della Torre also explained that, presently, "OEMs sell every vehicle with the same generic software that provides the same generic functionality to every customer; but that means a new vehicle is not running the very best software for the mission of your specific fleet. Instead, vehicle software can be upgraded to implement the specific, ideal driving patterns of your fleet into the operating software of every vehicle.

Instead of spending huge amounts of time and effort on data, and a coaching program with mixed results … the fleet's ideal driving patterns are coded into the vehicles themselves." This is called "Active Vehicle Management", which can be retrofitted to vehicles up to 10 years old, offering "new, intelligent features for your entire fleet, today."

The presentation concluded with the following points regarding the "Past, Present and Next":

- Telematics provides valuable operational data for your fleet
- Telematics can also create a huge workload around interpreting the data for Driver Coaching purposes, which offers mixed result
- Active Vehicle Management solves these challenges, providing all the operational data you need and implementing the ideal driving patterns for your fleet into the software of the vehicle itself

Next up was the last panel of Day Two, on the topic of "Enhancing Engagement And Retention Of Your Field Employees", moderated by Bill Pollock. Panel members included Bruce Levitt, President, Levitt Safety; Brian Shomber, Senior Field Technical Manager, Global Services, Medtronic; and Patrick Dell, Regional Director of Service - Southeast US and Northern Latin America, Varian Medical Systems.

An *SFG℠* Analysts Take

Pollock opened the session by posing some questions directed to all members of the panel, based on an earlier teleconference discussion, including:

- What are some of your methods or techniques you use to ensure your field service technicians feel they are part of a team?
- Are there any specific efforts made to encourage employee contribution and satisfaction beyond just getting a paycheck? What does that look like?
- Does your company conduct employee engagement surveys? What does that look like? What do the scores look like? How do you follow-up and communicate the results?
- Are there specific things that you do to keep field technicians engaged in the bigger picture, and to show appreciation for their efforts?
- How do you connect with the engineers if you aren't able to hold an annual meeting or training for the entire team?
- Do you use any Employee Recognition Programs? If so, can you give us some examples? (ex., Coins of Excellence)
- What correlations are there between Employee Satisfaction and Customer Satisfaction? (ex., service contract renewals, reduction in returned systems, etc.)
- How do you get frontline managers/supervisors to focus on employee engagement?
- How do you measure, or gauge, employee engagement and retention at your company?
- What kind of feedback channels do you have in place, or planned?
- What correlations have you been able to identify between employee satisfaction and customer satisfaction?
- How do you actively build your desired culture?

"As a first-time attendee, I found Field Service USA to be an extremely valuable way of learning best practices from peers across many industries that all shared one thing in common – the need to effectively manage a field service team. It was also an excellent opportunity to educate myself on the various technology options that are available to enhance our business."

- Bruce Levitt, President
Levitt Safety

The discussion was wide-ranging, with each panelist confirming the direct relationship between employee satisfaction and loyalty, and customer satisfaction and loyalty (and retention!). Each panelist also confirmed that their respective companies regularly conduct employee and customer satisfaction surveys, and have formal employee (and customer) feedback mechanisms to collect – and act upon – both the voices of their employees and their customers.

Finally, each company also has a recognition/award system in place to reward employees that go over and above the call of duty in supporting customers; and, most importantly, each company has realized improved customer satisfaction – and improved revenues/profitability – as a result of the success of their respective employee engagement programs.

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The final presentation of the Track A afternoon sessions was made by Ed McMurray, VP of Field Operations, Tokyo Electron America, on the topic of "Optimizing Resources And Data Accuracy In Capital Equipment Tool Installations."

The objectives of the company are stated as:

- To be rated by our customers as number 1 in tool installation management, and
- We wanted to accomplish this while dramatically improving how well we forecast, hire and manage our installation resources.

The approach taken by the company to achieve these goals is to:

- Manage tool installations like projects:
  - Define start and end dates
  - Work packages clearly defined and sequenced
  - Have the ability to deal with many external variables
- Establish a Field Operations PMO:
  - Adhere to PMI PMBOK best practices
  - Professional centralized project scheduling
  - Standardized definitions and deliverables
  - Best in class project and collaboration software

The results of the company's transformation are, then, as follows:

- One source of truth for resource forecasts
  - Forecast auto-updated by rapidly changing customer requirements
  - Clear audit trail for updates from the field collaboration environment
- Includes capacity and demand, by customer, city and site

Through this transformation, Tokyo Electron America now has "Line of Sight" visibility of Resource Allocation, including:

- We can "see" staffed and unstaffed requirements
- We can immediately comprehend
  - Over- and under-allocated resources
  - Gaps in assignments
  - Resources with no assignments

Further, management productivity was improved, as:

- Excel master schedules were replaced
  - Allowing resource assignments to be decentralized to all field locations
  - Reduced email coordination
  - Tedious schedule reconciliations between Excel and customer schedules were eliminated along with human error
- Management reports were eliminated
- Resource assignments are now possible at the Task Level
- Field resource utilization was improved

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There were also many benefits recognized across the organization, as follows:

For Executives/Managers

- Resource forecast is always up to date – keeps up with dynamic customer changes
- Better / easier headcount planning
- Manage exceptions / focus on what's important

For Customers

- Higher confidence in planning
- Better collaboration with supplier
- Actionable information: What variables are impacting performance? What can we do?

For Field Engineers

- More productive, more wrench time, and less admin time
- Plan the Work; Work the Plan
- Easier reporting and feedback

For CIO/Finance

- Reduced time-to-cash
- Predictable / more accurate time-to-cash forecasting

In summary, McMurray cited the following attributes of the improved way that the company operates its services organization:

- The Field Operations PMO is a critical driver of change management and continuous improvement
    - o Credible, data-driven dynamic resource forecast by skill level
    - o Perfect audit trail of changes
    - o Real-time visibility of resource assignments
    - o Unassailable accurate status at all times
    - o Best in class software for project and collaboration management
- Management effectiveness and productivity improved dramatically
- Leverages Field Engineer knowledge and improves utilization
- Customers benefit from standard format for planning and status with easy identification of dependencies affecting performance

Summary and Wrap-Up

Overall, WBR's 2019 Field Service Palm Springs conference gave every attendee the opportunity to learn, question, network, buy/sell and interact with vendors, practitioners, editors, writers, industry experts, consultants, research analysts, peers and competitors and every other important person or company in the field services business.

The temperature was hot – but so were the topics that were covered at the conference. One of the key points that I made as part of my Track A opening remarks was that "the main benefit of this conference is that it represents a middle ground between what we all learned last year, and what we will expect to learn next year." As such, this year's conference represented another key milestone in the Journey that we, as an industry, are taking along with our customers.

"As Bob Dylan once wrote and sang, 'The times, they are a'changin'.
He must have been singing about the field services industry!"

- Bill Pollock, President & Principal Consulting Analyst
Strategies For Growth℠

Here's looking forward to seeing you all at Amelia Island later this year, and in Palm Springs again next year!

Disclaimer:

This ***Strategies For Growth℠*** *Analysts Take* report was prepared in cooperation with WBR and its 2019 Field Service Palm Springs conference. In preparing the input for this report, I took copious notes and photographs of presentation slides during each of the two days comprising the Main Conference. Hopefully, I was able to encapsulate and summarize the key points for each keynote, presentation and panel discussion accordingly.

All of the embedded quotes contained in the report were derived either directly from the presentation slides, from notes taken during the presentations, or submitted *via* e-mail following the close of the conference.

Please note that, since this report was written by a single individual, not all of the presentations have been covered. Regrettably, even the panel discussion that I moderated is only skeletally covered, as I found it too difficult to moderate and take notes at the same time.

My personal thanks go out to Sara Mueller, Portfolio Program Director, Field Service at WBR, for allowing me and ***Strategies For Growth℠*** to participate in this year's conference in this manner. It was my pleasure to have prepared this report for your review and consideration, and I stand ready to respond to any and all of the comments and questions you may have moving forward.

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About The Author

About *Strategies For Growth*℠

Bill Pollock is President & Principal Consulting Analyst at *Strategies For Growth*℠ (*SFG*℠), the independent research analyst and services consulting firm he founded in 1992.

Previously, Bill served as President & Chief Research Officer (CRO) at The Service Council; Vice President & Principal Analyst, heading up Aberdeen Group's Service Management Practice; and Managing Analyst, Services Industry at Gartner.

In 2015/16/17, Bill was named "One of the Twenty Most Influential People in Field Service" by *Field Service News* (UK); one of the "Top 10 People Every Field Service Pro Should Follow" by *Field Service Digital*; one of Capterra's "20 Excellent Field Service Twitter Accounts"; and one of Coresystems' "Top 10 Field Service Influencers to Follow".

Bill has also had more than 350 articles, columns and features published on topics including Field Service Management (FSM), Service Lifecycle Management (SLM), Customer Relationship Management (CRM), Warranty Chain Management (WCM), Reverse Logistics, Augmented Reality (AR), the Internet of Things (IoT) and others for leading international services publications.

He writes monthly feature articles for *Field Service Digital*, *Field Service News*, *Field Technologies Online*, and *Future of Field Service*, and is a regular contributor to *Warranty Week* and other services-related publications.

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Strategies For Growth℠ (*SFG*℠) is an independent research analyst and advisory consulting firm that supports services organizations with a full range of strategic, marketing, business planning and consulting services.

During the past 25+ years, *SFG*℠ has consulted to more than 300 client organizations around the globe. These engagements have involved strategic services planning, market research/custom surveys, thought leadership content development and market outreach support, customer needs & requirements analyses, customer satisfaction measurement & tracking programs, business intelligence gathering, vertical market segmentation, services assessments and the development of strategic recommendations for improving service performance and customer retention.

SFG℠'s thought leadership content development services include White Papers and *Analysts Take* reports; Webinars, ghost-written/published articles, data support for Infographics, guest Blogposts, expert interviews, User Group keynote presentations and development of Website content.

The original *SFG*℠ website is now archived, and has been rebranded as www.PollockOnService.com. However, previously published articles and white papers are still accessible for download at www.s4growth.com.

Complimentary Distribution of this Analysts Take Paper has been Made Possible through:

About WBR Field Service Palm Springs

Advancing Service Together: The event for leaders in customer success, service, and support. That's Field Service!

WBR's Field Service events are where cross-industry service, support, and customer care leaders come together to build world-class service and field operations and ignite their careers. From niche small-group discussions to *Aha!* moment keynotes, field service professionals learn ways to advance all areas of service including IoT, self service, technician retention, parts management, revenue generation, and more. We've built into Field Service the most innovative, interactive formats that have been tried and tested to ensure attendees gain the most value from their three days out of the office.

For the 2019 event, WBR has pulled out all the stops, hosting the largest Field Service Fall Exhibit Hall to date! We've done the legwork identifying which solutions are market leading and sought after by our attendees.

For information about WBR's upcoming 2019 Field Service Fall event at Amelia Island, Florida, please visit our Website at https://fieldserviceeast.wbresearch.com.