

HOW TO ELIMINATE CHAOS AND INEFFICIENCY IN YOUR SERVICE BUSINESS.

BY SCOTT HEGRENES, PRODUCT MANAGER,
VIEWPOINT CONSTRUCTION SOFTWARE® AND
RAY THOMAS, VP OF SALES, MSI

Although we've seen quarter after quarter of positive growth in the construction industry, winning new, profitable work is still proving to be a challenge for specialty subcontractors. That situation has driven many of them to develop a service and maintenance business to augment this lack of project work and it has proven to be a valuable source of recurring revenue.

However, service doesn't come without its lack of headaches, including budgeting wisely, unpredictable cash flow, appropriate agreement pricing, managing technician productivity, and assigning jobs, which are areas where contractors often face problems.

Having the right people on the team is only part of the solution. With the right mix of processes and software, a specialty contractor can effectively position their service business for rapid growth and increased profits.

ELIMINATE CHAOS AND INEFFICIENCY

PART 1: Common Service Problems (chaos-causers)

Managing service is much different than managing construction work, and careful consideration of and preparation for the ramifications of those differences can mean the difference between a successful and unsuccessful service operation. In construction, a project team has carefully set up jobs for detailed tracking against estimates, budgets, managing safety, cost codes, and more. Unfortunately, this level of planning in service work is rarely possible given the following points:

The Speed of Service

In contrast to this planned, long-term nature of construction jobs, service departments are frenetic centers of activity that are often reactionary and always time-sensitive. In addition to pre-planned preventive maintenance work orders, service departments are in constant receipt of emergency or near emergency break/fix calls (most commonly quotes, work order creation, and technician dispatch) that require instant action.

Written, paper documents are the most common means of recording daily field activity.*

With many more inter-day decisions and dependencies, managing the business can feel chaotic. Gaining control of that chaos, however, can significantly improve your service department's cash flow, productivity, and profitability. Structure designed to facilitate the rapid workflow of information – from call to quote to order to dispatch to technician and back again – is paramount.

Technician Travel and Work Order Frequency

Like construction work, field service is taking place at a customer site, or 'in the field.' Unlike construction, however, service typically takes place in shorter intervals at several customer work sites, per technician, throughout the workday. Field service technicians typically conduct between 40-50 on-site customer visits per month. This juggling act, combining travel to multiple locations, customer priority, turnaround expectations, and present technician location, skill, and availability, can serve to exacerbate inefficiencies in the way service contractors manage their business information today.

Paper files are the type of content most difficult for contractors to manage effectively.*

Paper Causes Slowness, Complication

As so many contractors performing field service work experience, attempts to manage their service operation's business processes with paper requires rework and a tremendous amount of manual effort, as well as has limitations with the inability to realize the efficiencies required to either profitably scale their business or exceed the growing expectations of their customers.

With this in mind, consider some of the most common 'chaotic' scenarios of service management issues confronting contractors performing service work in a field service setting. Here are a few examples:

Assigning the Right Technician the First Time

- Locating the right technicians for the job
- Where are your jobs relative to technicians' current location?



- Which technician(s) are qualified, available, and/or preferred by the customer to complete the work?

Unproductive Time

- Your service department's bottom line will be largely dependent on the percentage of your technicians' time that's spent on billable work. If not efficient in this area, it can lead to low technician utilization and less profit.
- Are you efficient in managing technician schedules for planned preventive maintenance?
- Are you efficient regarding inter-day break-fix work?

Lack of Preparedness and the Return Trip

- Nothing is more frustrating for a customer or for a service department than for a technician to show up without enough information to complete the work on the first visit – it's also costly for all to require a return visit.
- Does the technician have enough historical information accessible to pre-diagnose?
- Does the technician have the right part already in their vehicle?
- Are you sure that the tech assigned has the skill set necessary for the assignment?

The Billing Blind Spot

Service departments typically have little to no visibility into work that can be billed until the end of the week or end of the month.

- If technicians hand-in or fax-in paper timesheets, work orders, and other field forms to the office well after work is performed, then

you are unable to react to potential problems in a timely manner. It also slows cash flow if not billing in the timeliest manner.

Insufficient Field Reporting

- In order to improve field service delivery, it is necessary to first understand current performance, and that requires timely and complete field reporting.
- Learning the current state of affairs can be a major challenge when information being returned from the field is illegible, inaccurate, or incomplete.
- Standardizing what and how technicians record information in the field is difficult to enforce without technology tools and processes to facilitate.

Data Silos

- To manage at the frenetic pace that field service requires, information must flow quickly from step-to-step and worker-to-worker, such as call to quote to order to schedule to technician, and back again.
- Unfortunately, if any of this information resides in different systems, or if there is no system at all, then processes quickly break down, which would require manual methods to resolve.

Duplicate Data Entry

- If your field data collection and internal office processes have workers recording information multiple times, such as in the field and again in the office, you're not alone. Solving this issue continues to be one of the most important and most challenging issues to address, as it requires providing

field technicians access to an app connected to back office systems.

Slow Billing

- Disconnected data silos and duplicate data entry are issues that combine to cause one of the most painful problems for service contractors: slow billing. Accurate invoicing in commercial and industrial service settings is a very slow process when paper changes hands several times before the invoice can be sent for payment.

68% of contractor employees were assigned a mobile device by their employer.*

Services and Billing Complexity

- Work orders and maintenance agreements of all shapes and sizes makes scalability of service difficult. You need to be able to bill for all contract terms – knowing what's chargeable and not chargeable; considering full coverage versus time and material; or when not covered under contract, know your rate structure. How quickly can you get bills out the door? It can take at least 15 days before you can bill a customer due to back and forth communication internally.

While this is not a comprehensive list of the real business problems facing service contractors today, it demonstrates that inefficiencies can cause the bottom line, not to mention the customer experience, to be negatively affected.



PART 2: The Solution – Eliminating the Chaos!

Contrary to common opinion, hiring another technician or another back office administrator isn't necessarily the right long-term solution to gaining control required

36% have not mobilized because they have not found suitable mobile software.*

by contractors performing service work. When the presented issues are tracked with precision and automated with contemporary technology, then contractors with a field service business can deliver more consistency, efficiency, productivity, and higher profits.

There are service management software options that deliver advanced methods solving the unique needs of service contractors. What follows in this paper is a basic introduction to both the core components and advanced capabilities of such software.

For starters, managing field service more effectively requires an examination of each of the important stakeholders in the business, the consideration of what would help each in their respective roles, and taken together, the service operation as a whole. Each service contractor is different, but we tend to find that common stakeholders for service contractors most often include:

- customers requiring service work on equipment at their location
- technicians performing the service work
- call takers and dispatchers taking customer calls and assigning work
- service managers and operations managers overseeing the department's resources, including inventory, staffing, and more
- executives setting direction and minding financial performance

Considering these most common stakeholders and their respective roles, software solutions should address, at the highest level, three main areas of need for a service contractor:

- the field (technicians),
- scheduling (dynamic work assignments)
- the back office (complete management of service activity, from calls, quotes and work orders to contracts, inventory and billing).

When a single, seamless service management solution addresses the business processes and flow of information in these three areas, then service contractors will derive significant, measurable business value.

Solution: Mobile for Technician Work Order Management

- Field technicians are technically skilled individuals, and empowering them with mobile technology to be the leading edge of your service organization's information management efforts can have numerous benefits – from less

time spent recording work in the field and eliminating duplicate data entry, to better service history visibility and improved customer experience.

- Value = Get paid faster
- Value = Employee satisfaction due to reduced paperwork
- Value = Improved brand image
- Value = Position yourself to hire next generation of technicians

Over 90% of field employees carry at least one mobile device; Over 60% carry two or more.*

Solution: Mobile for Standardized Field Data Collection

- Determine collectively and enforce in the field the important service business codes and categorizations for ongoing performance tracking and improvement. Examples of this include customer and work order priority, equipment type, work status, recommendations, and more. Mobile technology can make recording this information simpler, quicker, and mandatory.
- Value = Consistency in field reporting to support clearer, quicker decision-making
- Value = Understanding customer needs
- Value = Understanding repetitive problems



Solution: Scheduling/Dispatching System - Integrated to Mobile Technician Application

- Provide an automated means for continuous communication between field technicians and call takers, schedulers, and dispatchers throughout the work day. Technicians become more autonomous by having the information they need without continuous calls to the office. Visibility to technician work status, location, skill set, and availability are critical factors in rapidly determining and assigning the right technician for the job, the first time.
- Value = Improved first time fix rate
- Value = Reduced travel time
- Value = Increased billable utilization rates

Solution: Mobile Application Integrated with Back Office Service Management

- Tying mobile field data collection into back office service management systems is a necessity for eliminating chaos and inefficiency. Technician work in the field (i.e., labor time, parts consumed, equipment repaired, inspections performed, or tools used) flows into the back office system without the need for back office interpretation of written paper records and, most importantly, duplicate data entry. Mobile technician applications that are integrated with the back office can help contractors significantly improve their ratio of field-to-office workers.
- Value = higher ratio of field-to-office worker; higher rate of billable employees

- Value = more informed technicians with access to service history, live parts availability
- Value = elimination of the need for duplicate/triplicate data entry in the office

Solution: Back Office Service Management for All Service Contractor Stakeholders

- The centralization of service information in a single application and a database designed to manage all aspects of work-order intensive field service make up the foundational first step in eliminating inefficiencies. The high volume nature of service work means that a service management system, when implemented and used properly, can automate the otherwise time-intensive manual processes.
- Value = process efficiencies – call to quote, quote to order, order to dispatch, close out to bill
- Value = response time to customer requests for service
- Value = more detailed tracking of everything your service organization sells and services, including parts, assets, and service contracts
- Value = bill for all types of service work

Solution: Service Reporting and Analytics

- Field service management applications should allow for faster, more complete assessment of service performance. Make use of this data to establish how you're performing, refine processes, work towards performance targets, and improve the health of your service

department. One proven method is to manage by exception, starting with simple metrics, for example:

- I need to get a bill out the door in 3 days. How am I doing?
- Analyzing technician performance
- Productivity – how many work orders per day/week/month
- Quality – how often are we meeting customer ETA
- Profitability overall of service business
- Average time to complete a project
- Customer retention
- How is my "extra" work doing? Are we winning incremental/potential work on service agreements?

PART 3: Getting Started

As is often the case when it comes to technology solutions to business problems, many industries have similar problems. Accordingly, contracting is not the only industry working to solve field service management challenges and determine how and where they can realize return on investment in a software solution.

Is it worth it? An ROI study can help decide.

Investigating in detail the ways that a service management solution could transform your business processes, and how and where it could deliver ROI, is a great place to start. For a service management ROI white paper or for a personalized ROI study for your contracting firm, please contact Ray Thomas or Scott Hegrenes.



Ray Thomas

Ray Thomas is VP of Sales at MSI, a leading provider of field workforce automation software. Since joining MSI as Director of Business Development in September 2012, He has been instrumental in growing sales and building both direct and partner sales operations, as well as helped develop several key partner relationships including key partnerships in the telematics and ERP software markets.

ABOUT MSI

MSI develops enterprise, scheduling, and mobile software that helps companies improve the productivity of their field workforce. World class service contractors rely on MSI's powerful suite of field workforce software to automate field service, inspections, repairs, preventive maintenance, and other critical field-driven business processes. MSI replaces paper and disconnected spreadsheet-based business processes with highly efficient, end-to-end processes through the combination of mobile technology for field workers and ERP, CRM, and accounting systems integration. To learn more, please visit www.msidata.com/viewpoint

Scott Hegrenes

Scott Hegrenes, Product Manager at Viewpoint Construction Software, has over 15 years' proven experience providing innovative solutions to the construction sector. At Viewpoint, Hegrenes currently oversees product development with a focus on meeting the unique needs of specialty contractors, while working with customers throughout the year to understand the problems and issues that Viewpoint products need to address in order to provide true value to their organizations.

ABOUT VIEWPOINT

Viewpoint, a leader in meeting the collaborative and information needs of the AEC industry, offers construction-specific solutions for a variety of professionals including small, medium, large, and enterprise contractors. Viewpoint solutions include takeoff and estimating, project management, accounting solutions, enterprise resource planning, project and BIM collaboration, mobile field-to-office, and enterprise content management. Viewpoint customers include more than 30 percent of the ENR 400 and have the most technology partnerships with the top 50 mechanical and electrical contractors in the United States. Viewpoint serves as the technology partner of choice to the construction industry and delivers the right solutions on the right platform, including cloud, SaaS and on premise solutions and provides customers improved accountability, efficiency and productivity throughout the U.S., Canada, the United Kingdom, Europe, the Middle East, and Australia.

*Source: 2014 Viewpoint Market Technology Survey

