Making the case for a field service management solution

Industrial manufacturing and services
Here’s a question we tackle often at Microsoft from potential customers: how exactly do you make a case for a field service management solution to the decision-makers in your organization?

For years, margins on product -- i.e. selling equipment -- were 3 to 4 times higher than those for service within the industrial services industry. As a result, the CFO and other executives often shied away from investing to improve field service operations -- so convincing them of the need for a field service management solution was challenging.

Times are changing though. Service is the backbone of customer experience, and customer experience is the backbone of revenue growth (more on that below). In this new environment, how do you make a case for a field service management solution in your organization?
Start with measuring

In most organizations, two types of projects tend to get the most attention:
- Those that are measured
- Those that make money or reduce costs

The case for a field service management solution starts by explaining the contribution of field service to the bottom line. With the right operations in place, most aspects of field service operations can be measured, from first-time fix rate to percentage of billable hours. Tracking the number of work requests even can shine a light on how efficient your scheduling and proactive services are, helping you to improve operating margins by reducing costs.

When field service operations become measurable, it becomes possible to calculate how changes in operations impact costs and revenue.

Your CFO will certainly want to know that customer service programs are generating higher margins than selling product. And this makes sense: good service means loyal customers, and loyal customers mean more repeat business, potentially at higher price points. That’s a major change in terms of the overall ecosystem of how field service fits into an industrial manufacturing or services organization.
Explain the significance of improving customer experience

Having a field service management tool will make for better customer experience because you'll be better at core functions of field service including:

- Scheduling
- Billing
- Inventory

Customer experience is crucial in the modern era. There are dozens (if not hundreds) of competitors in most industries -- definitely in field service operations -- and their price points can be very similar. As a result, how will a consumer or client truly decide which field service operation to go with? Likely, the decision is based on experience or a referral, which we will address later in this discussion.

A field service management tool is essentially the most effective way to guarantee a streamlined customer experience between your back office, your management, your field technicians, and your customers.

Consider these two simple scenarios:

- A customer can track exactly where a technician is and when he or she might arrive at the customer's location.
- A customer can be billed straight from a technician's phone and your back office can capture all of the information at headquarters and enter it into the customer relationship management (CRM) system.

Even though tracking and billing are fundamental within a field service management tool, they can provide such ease and potential 'surprise and delight' to a customer or client that you can use them as a springboard for repeat business. Simple steps, underscored by a management tool, can lead to higher profitability. That's a good argument to present to your decision-makers.
Describe the benefits of a powerful referral engine

As long as marketing has been a part of our cultural lexicon, the most effective marketing channel has been by word of mouth or referral.

This is another crucial reason why field service management programs are essential: if you have a good field service management solution, you create more time for the field technicians -- because they need to worry less about scheduling, routing, inventory, billing, and other logistics. As a result of having all of that information at their fingertips, they can focus more on building relationships with the customers at their locations.

That customer relationship building is arguably your most powerful sales and marketing tool.

Consider these two simple scenarios:

- Your technician is on-site and talking with the customer, who mentions something else has been acting up. The technician says “I can take a look at that for you.”
- Your technician is on-site and discusses a customer’s cousin, who is in the field looking for service opportunities.

In the first scenario above, we are not saying that the technician should give away free work -- but if the technician has resources to look at another problem, that’s a huge value-add for the customer -- and it ultimately can be reflected in the bottom line. And if the technician can upsell a product while providing this service, that will be a win for the company. Relationships take time to build, but they do lead to revenue.

For the second scenario, you just created a recruiting pipeline, but you did it without posting to job sites or conducting dozens of interviews that potentially don’t go anywhere, etc.

Word-of-mouth and referrals can have significant impact on sales and marketing. If you have an effective field service management solution, you free up more time for your field technicians to build relationships that lead to more referrals.
Strive for a complete customer service experience

The field service capabilities are a part of the Microsoft Dynamics CRM ecosystem. The core tenets of everything related to Dynamics are organized along these aspects of the service experience:

- **Omni-channel**: Engage customers on their terms through their channel of their choice.
- **Self-service**: Make it easy for customers to solve issues on their own.
- **Agent enablement**: Empower agents with a single, unified experience to deliver fast, amazing customer service.
- **Onsite service**: Deliver world class, intelligent customer experiences in the field while maximizing efficiency and minimizing costs.
- **Knowledge**: Easily connect the right person with the right knowledge at the right time to answer service needs.
- **Service intelligence**: Identify trends, anticipate opportunities and gain insight through dashboards, deep analytics and powerful data visualization capabilities.

**Industrial service at its best**

One of Dynamics’ industrial manufacturing and service customers is an industrial waste management and oil recycling company. When this company moved to a holistic customer service experience like the one defined above, they reaped several benefits, such as:

- Financial savings
- Better customer relationships
- Stronger management of sales operations
- Increasing confidence in decision-making

Specifically, due to the integration with Microsoft Dynamics CRM, Microsoft Outlook was a time-saver because the familiar user interface enabled sales representatives to manage their relationships within their Outlook accounts, and additionally, to store proposals, customer responses, closed deals, and outstanding business in one unified location.

Some of the greatest savings with field management software come from greater flexibility, responsiveness and time. When scheduling, inventory, and billing are connected, day-to-day business decisions are much easier to make.

Financial savings, improved customer relationships, better sales management, and increased confidence in decision making are four major success metrics for any business. In this company’s case, success was achieved by embracing a complete service solution.
Most jobs are a mix between ‘shallow work’ -- which is logistical and task-oriented -- and ‘deep work,’ which is focused on ‘moving the needle’ or driving bigger-picture, revenue goals. You can never completely eliminate ‘shallow work,’ which some call ‘the business of doing business.’ But if you can make the ‘shallow work’ easier to achieve -- which is one of the things a field service management tool does -- then you can see bigger returns from the ‘deep work,’ which is what the decision-makers of your organization ultimately want.

Service is huge at the margin right now, and an effective field service management solution can save you money, streamline your options, and drive your sales and marketing. What are you waiting for?

If you have any questions, please don’t hesitate to contact us. We are here to help.
We’ll help you make the case for a field service management solution!

Request demo ➔