

# **Benchmarking Report: The Impact of Asset Data Flow Beyond the Silo of Field Service Operations**

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# In an age of information, does critical data remain locked away in business silos?

There have been so many changes in our industry within the last two years. However, while much of the focus within the industry headlines have been focused on technology, there is also a seismic change in the very fundamentals of how we approach field service delivery.

Indeed, as we move forward, the very notion of field service may rapidly become antiquated as we move into a world of hybrid remote and physical service delivery.

In many ways, we were already on this path and had been for some time, but the unprecedented disruptive force of the pandemic forced our hand, and our journey along that path was hugely accelerated.

The pandemic was a disruptive force of a magnitude not seen in many generations, yet our world is so much more connected than it's ever been in the past. We live in an era of true globalization, and thus, the shockwaves of that disruption were felt within the wheels of industry more keenly than anything that has come before.

Yet, in adversity, there is always opportunity. Many in the field service sector have grasped the nettle and chosen a path of genuine innovation in terms of the technology they are leveraging and their core strategic thinking.

We have discussed digital transformation at length in our industry. Still, the truth is that no matter how sophisticated the tools we use are, they remain merely an enabler for service transformation.

We are living in the age of information, a time when data underpins all aspects of excellence within a service-centric organization. Yet, so often, the ability to take meaningful and actionable insight from the data available to us remains locked away in business siloes.

Previously, this would be down to a challenge with the transmission of data across different systems of record. Yet, while this can still prove to be an

obstacle to overcome, modern systems are more open to integration than ever before. The challenge for many is as much about the ability to rethink the status quo.

To look at the organization with fresh eyes and to take an Outside-In approach that no longer sees the various internal challenges and barriers that build departmental silos, but instead to see how each department can work alongside each other in harmony towards a collective goal that sits in line with the concepts of servitization and outcome-based solutions that are becoming more and more compelling every year.

It is, of course, easy to write down the merits of such an approach, yet as many of us know all too well, it is far harder to implement.

The core focus of this latest Field Service News Research study, therefore, was to understand how prevalent the use of asset data, data that has deep and rich value for the entire business is within service organizations – or does the data remain within a silo of operations.

In addition to this, we shall explore whether the movement of data across an organization is a significant factor in enabling greater cross-department collaboration. This in itself is an indicator of an organization's appetite and capability to adopt servitization.

In the study, we spoke to a sample of over 230 field service leaders from a variety of different industry verticals including manufacturing, utilities, telecommunications, power generation, healthcare, med-tech, security and many others.

The study was conducted between September and November 2021 and data was collected online via personal invitations to participate. The data presented in this report is quantitative. We are currently undertaking interviews with a selection of respondents for our final report within this study which will then be based on further qualitative data yielded in those interviews.

## Section One: The Ongoing Impact of the Pandemic on Field Service Operations...

To open the study, we asked our respondents to define the most significant change for them within the last eighteen months. Overwhelmingly, the provision of remote services to be added to a portfolio was the most widely cited of any response. (fig. 1 below)

Almost two-thirds of respondents (64%) stated that this was the case for them. As we touched on in the introduction, while the adoption of remote service delivery is aligned mainly to the implementation of technology, it naturally leads to a significant shift in service design thinking.

The skill sets required of the technicians and engineers within the field service workforce will be significantly different in many ways.

This shift was also reflected in the responses to this question, with workforce-related answers equating to over a fifth of the responses. These included 'more flexible shift patterns within the field service division', 'increased usage of third party works' and 'a change in the profile of field service technicians/engineers'

all cited.

The adoption of remote service has also not just been a push by the service providers. Two-thirds (67%) of field service companies within the study stated that they felt a more significant customer push to introduce remote service into their service portfolio.

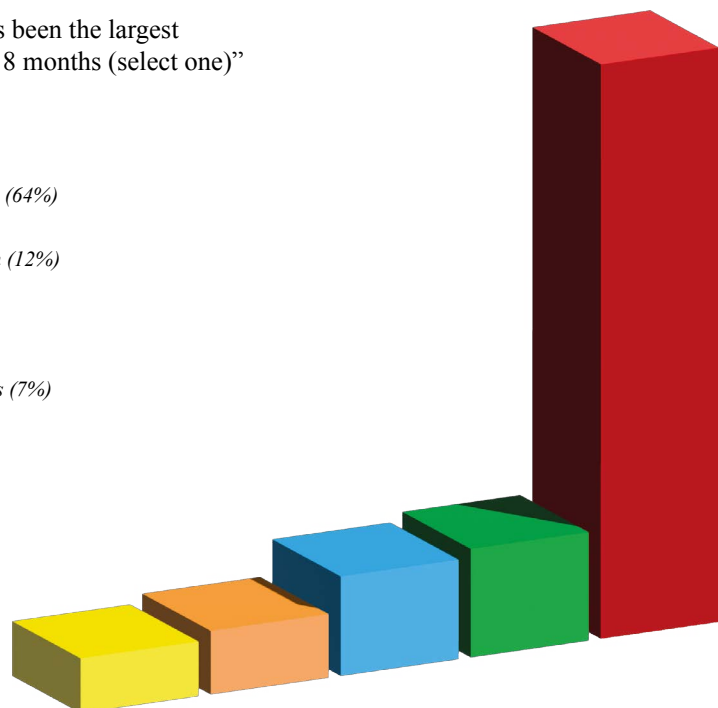
In comparison, 20% of respondents had seen a similar increase in customer demand for self-service solutions. However, one abundantly clear finding is that a lingering impact of the pandemic is that customers' expectations in terms of service standards have continued to increase despite the more challenging environments we find ourselves in.

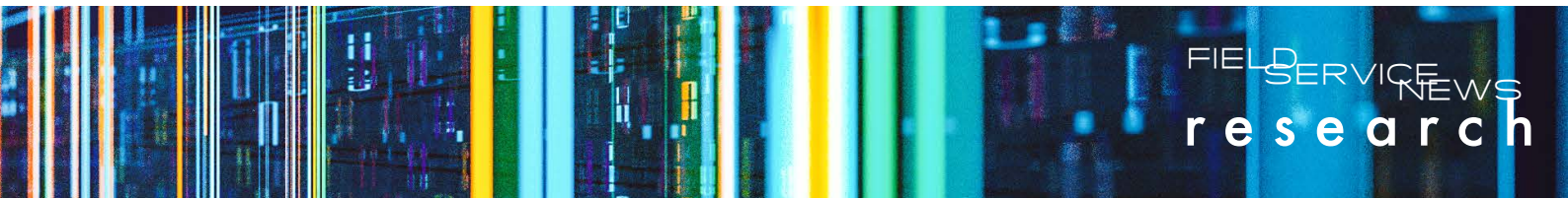
80% of respondents stated they felt their customers expect more today in service standards than they did eighteen months ago.

As we break this down, the good news is that many of the leading issues that

Figure One: Responses to the question "What has been the largest change to your service processes within the last 18 months (select one)"

- Provision of remote services added to service portfolio (64%)
- More flexible shift patterns within field service division (12%)
- No significant change (11%)
- Change in profile of field service technicians/engineers (7%)
- Increased usage of third party workforces (6%)





customers want to see resolved are critical areas of focus already within the industry, with solutions readily available.

We asked our respondents what are the most significant ways in which customer expectations are changing? We provided them with a selection of responses and asked them to tick any relevant options.

The most widely cited responses were faster response times (67%), increased remote service options (58%) and a better understanding of asset performance and asset condition (42%). (fig 2 below)

Interestingly, these three responses being the most commonly referenced are also three essential components within a servitized model where the shift from a focus on strict SLA adherence to one of guarantees of uptime would occur.

Indeed, only 17% of respondents cited more stringent SLA commitments within the response group.

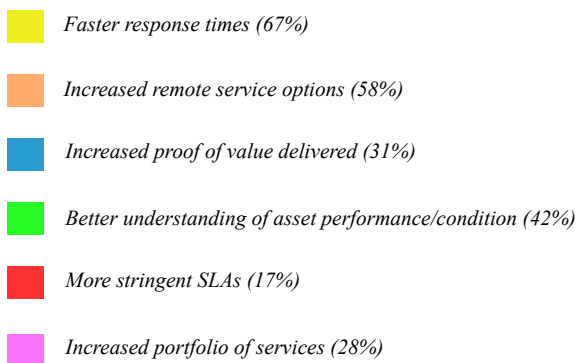
Meanwhile, slightly under a third (31%) of respondents stated their customers were looking for greater proof of the value delivered. At the same time, just over a quarter (28%) also indicated that their customers now expected a wider portfolio of services.

We next asked our respondents to define in their own words the primary way their organizations were adapting to meet these needs.

There were several trends that emerged in this section. Still, the most repeated comments were aligned to increases in and development of staff, the adoption of remote service delivery, and a drive towards connected assets.

Furthermore, when we drilled down further into this area and asked our respondents to identify the most positive initiatives introduced within the last eighteen months in terms of revenue generation and customer satisfaction, the introduction of remote service tools again dominated the responses.

Figure Two: Responses to the Question ‘Which are the most significant ways in which customer expectations are changing? (Please tick any relevant options)’



## Section Two: Other Disruptive Forces Shaping Our Industry...

The widespread adoption of remote service is not unexpected. Indeed, in [previous Field Service News studies](#), we have clearly seen this trend evolve across the pandemic.

However, while the impact of the pandemic has, as we outlined in the introduction to this report, been one of unprecedented disruption, there have also been many other disruptive forces across the field service sector that either predated the pandemic or indeed have since emerged either independently of or as a bi-product of the pandemic.

As we begin to look forward to a post-pandemic era for our sector, we must fully understand all of the external disruptive influences field service organizations may face. With this in mind, we asked our respondents if there were any other themes that they believed would have a significant impact on their field service operations within the next three to five years, asking respondents to cite the three most pressing in a range of options.

The answers to this question highlighted a challenge that our industry has been grappling with long before the pandemic – workforce shortage challenges. The threat of an ageing workforce crisis within our sector has been one that has been discussed for at least a decade, and the data from this study certainly indicates that we are increasingly edging towards that crisis, with 79% of respondents citing this as a critical concern. (fig.3 right)

The second most widely cited trend in this question was another perennial challenge field service companies faced—rising costs of labour and materials. Almost two thirds (64%) of respondents cited this response.

Indeed, while this is almost always an area of concern, this could be the most extended ongoing impact of the pandemic as we are still grappling with the breakdown of supply chains and the economic downturn that many would argue the pandemic was a significant catalyst for and we are seeing staggering volatility in materials currently such as [lumber which rose an incredible 375%](#) between April 2020 and April 2021 and then suffered it's worst month as a commodity in terms of price fall since 1978 in June after falling by 18% across this year.

The third most widely cited response was a shift in customer perceptions of value and expectations, which was cited by 38% of respondents. It is interesting to note that the subsequent most commonly cited response was the growing momentum of Servitization/Advanced services which 31% of respondents identified.

In many respects, these two responses are different sides of the same coin – both ultimately lead to a change in service requirements. When we look at

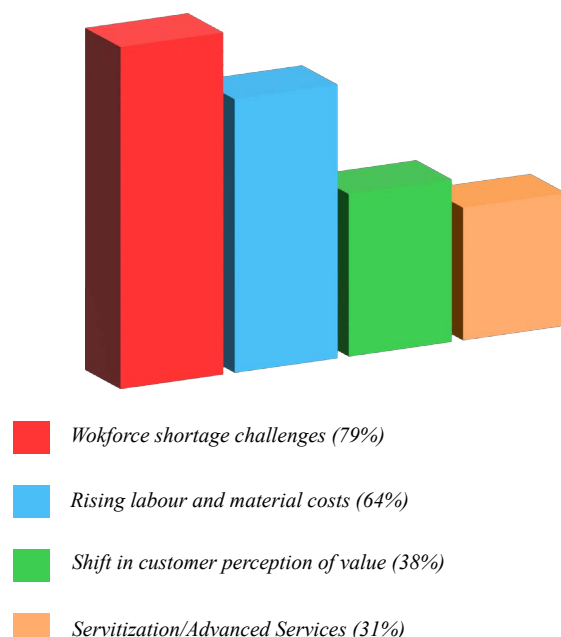
these two responses together, we see that almost three quarters (69%) of the respondents believe the need for new service design is set to have a major disruptive impact on our industry in the coming years.

We would expect both new competitors and regulatory market pressures to remain a potential area of disruption, with a quarter of respondents including each of these options within their top three areas of concern. There were also emerging concerns cited by our respondents that could have a disruptive aspect on our industry.

These were sustainability (cited by 18% of respondents) and the developing right to repair sentiment and regulations (cited by 13% of respondents). Again it is interesting to note that both of these topics are increasingly becoming part of the broader discussions around servitization and service design.

Integral to these newer approaches to service design is the ability to access data across the business and be able to leverage that data into meaningful, actionable insight. In the next section of this study, we turned our attention to how prevalent such data flow is within our sector.

Figure Three: Responses to the Question ‘Are there any other themes that you believe will have a significant impact on your field service operations within the next 3 to 5 years? (Top 4 responses shown)’



# Section Three: Effective Use of Data Within the Field Service Business Unit

The discussion about the importance of asset data has been held within our industry for quite some time now. Indeed, most industry analysts have firmly identified that asset data is a central pillar within effective field service operations.

However, how does this translate to the direct experience of the industry? Firstly, let us establish whether field service organizations can receive data from the assets within their install base.

We asked our respondents if they felt their organization received enough data from their assets in the field. The response here was comprehensive. Over three quarters (82%) of respondents answered in the affirmative, with only 13% responding negatively and the remaining 5% stating they were unsure.

This would certainly indicate that the majority of field service organizations do track and monitor asset data.

However, receiving, tracking and monitoring data is only a first initial step. The more important question is how many organizations can leverage that data effectively enough to impact their fields service operations positively? Within the same initial question, we also asked our respondents to identify if they could utilize data effectively.

Here we see a more accurate picture of the use of data within our industry currently.

The study findings revealed that over half (57%) of field service companies within the study, while having access to asset data, cannot use it effectively. (Fig. 4 below)

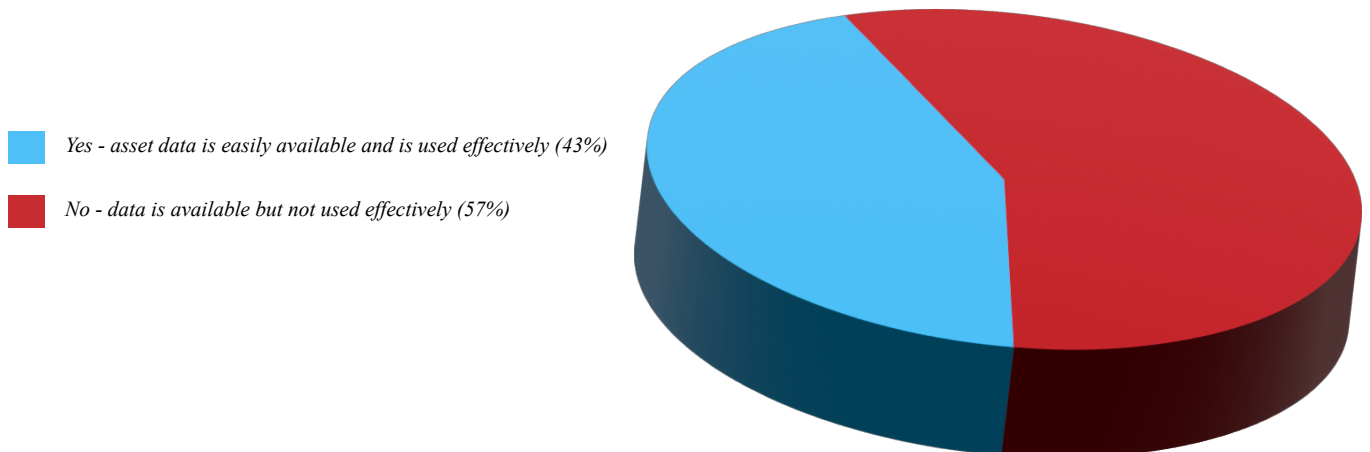
Within this subgroup of respondents, two thirds (66%) state that the most significant issue they have is not having enough data for practical analysis to surface operational insight. In contrast, the remaining third said that they do have enough data but are still unable to utilize it effectively.

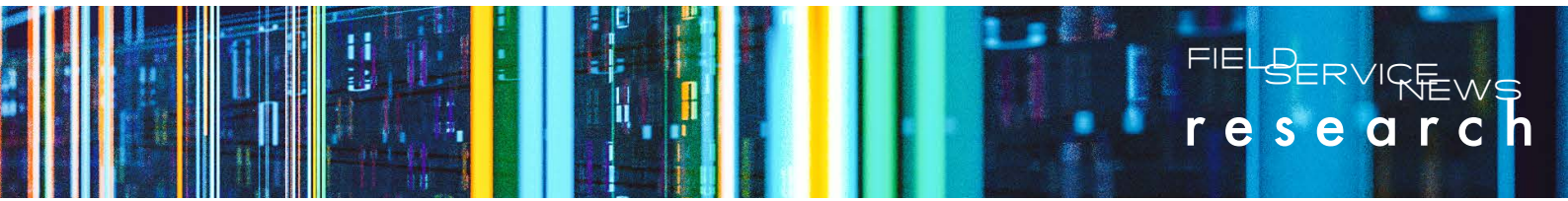
Of those field service companies that state they are not utilising their data effectively, there is a common theme, the barriers that prevent them from doing so ultimately come down to a lack of proficiency.

As one respondent stated, 'We are currently collecting data but are not proficient or aware enough of how to use that data to make or drive improvements.'

What is particularly interesting is that this lack of proficiency is not aligned to a lack of adequate systems. Just 12% of those companies within the study cited

Figure Four: Responses to the Question 'Do you believe the field service business unit receives enough data from your assets in the field into your systems of record to positively impact your field service operations?' (effective use vs. collated non-effective use shown)





inadequate systems and technology as the primary barrier to the effective use of asset data. (fig. 5 right)

In contrast, twice as many (25%) of those companies within the study stated that their primary barrier was inefficient processes.

However, the study findings reveal that in the main, it is a mix of both a lack of adequate technology and inefficient processes combined that is the primary barrier, as indicated by almost two thirds (63%) of respondents.

Complexity is also a recurring theme that appears within the commentary from the respondents identifying what is preventing these organizations from using their data more effectively, with comments including 'it is slow, out of date, complex and sitting in a poor system', 'complexity of data is our primary challenge,' and 'our products are used in a wide range of applications delivered through a complex supply chain which means we often don't have the option to gather operational data.'

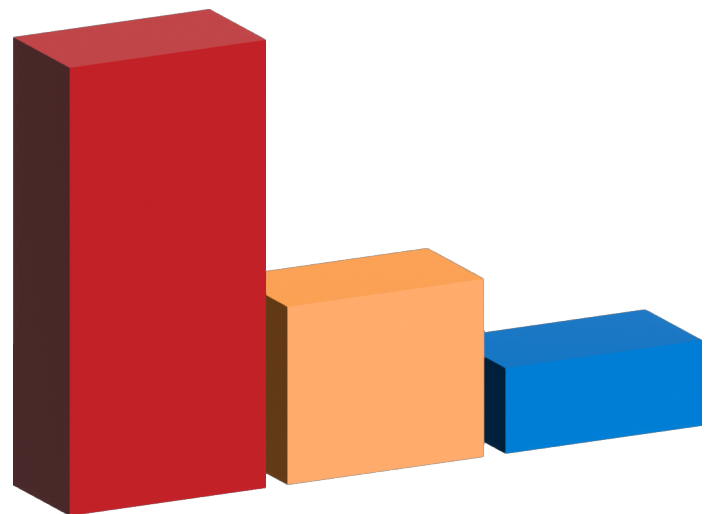
Returning to the entire response set, we see that over a third (38%) of companies have access to enough asset data and can state that they are utilising it effectively.

Looking forward to overcoming these challenges, we also asked our respondents what would allow them to have better data in sufficient quantities to drive meaningful operational insight.

While the complexity of data does represent a significant challenge according to the study's findings, still the most common trend amongst our respondents was to identify further investment in connected assets and Internet of Things with responses including 'more connected assets,' investment in IoT infrastructure' and 'implementation of better IoT systems and reinforcing the use of data amongst personnel,' all being representative of the key themes emerging within the study.

With this in mind, in the next section of this report, we shall explore the prevalence of IoT amongst field service companies alongside other mechanisms being used for the collection of asset data.

Figure Five: Responses to the Question What do you think the primary solution to improving your effective use of asset data is?



- *Equal mix of inadequate processes and technology (63%)*
- *Inadequate processes (25%)*
- *Inadequate technology (12%)*

# Section Four: The Varying Mechanisms for Asset Data Collection.

When we discuss asset data, invariably, the first aspect of that conversation centres on IoT.

While this is invariably where the future of asset connectivity and collection of asset data lies, it is important to remember that other mechanisms for collecting asset data are not reliant on IoT connectivity.

Indeed, when we asked our respondents which means of data collection they use to collate asset data from their install base, direct connectivity accounted for just over half (52%) of data collection. (Fig.6 below)

The other data collection tools, sometimes dubbed ‘poor man’s IoT’, involve the manual collection of data from the asset and can provide a valuable bridge for a field service organization that is making a transition towards becoming a data-driven service operation but has yet to fully implement the requisite infrastructure for fully automated collection of asset data via IoT.

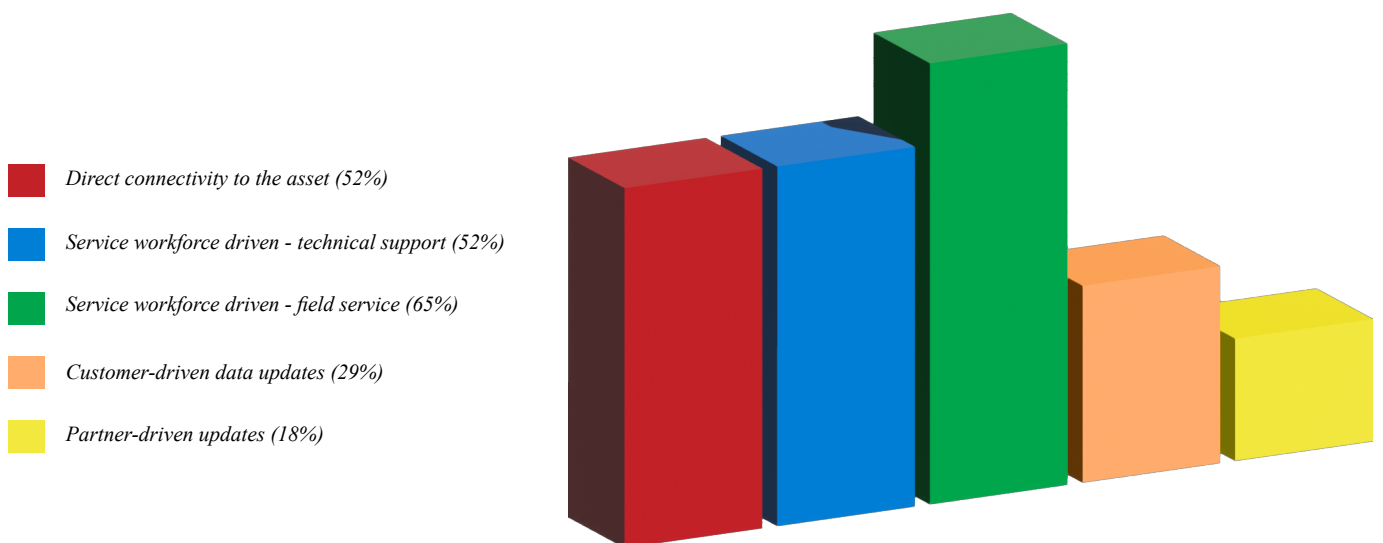
When we look at the various types of non-IoT based asset data collection, the most frequently used mechanism is for that data to be field service workforce driven, which almost two thirds (65%) of companies stated as a method of data collection. In fact, of all data collection mechanisms, including IoT, service workforce driven data collection was the most widely cited.

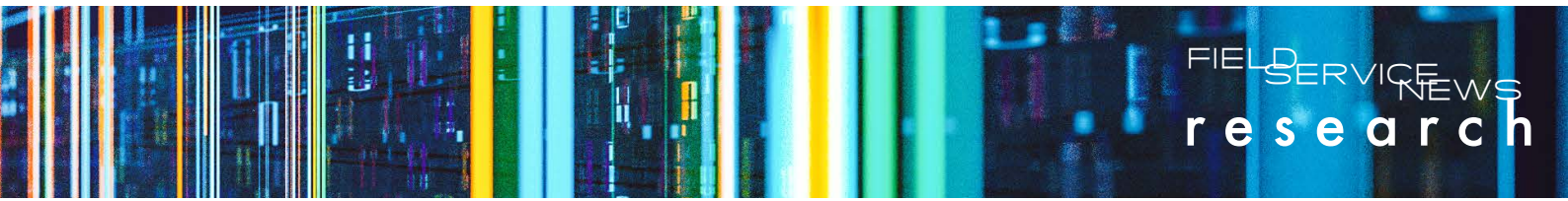
The following most common means for asset data collection was via the service workforce amongst contact centre or technical support staff, which half (52%) of companies utilized. In comparison, customer-driven data updates were a mechanism for asset data collection for slightly under a third (29%) of companies.

It is important to note that both of these latter mechanisms for collecting asset data require input from the customer.

Therefore, when we see these two aspects combined, we see that customer

Figure Six: Responses to the Question ‘What are the ways in which your organization collects asset data (Please tick any relevant options)’





provided data is the most widely used mechanism for collecting asset data amongst those companies within the study, with 81% of companies collecting asset data in this manner.

Finally, 18% of companies within the study collected data from their partner-driven updates.

These non-IoT based mechanisms for collecting asset data are set to continue to be vital as our industry continues to move through a period of digital transformation. In previous Field Service News studies, we have already seen a clear trend towards adopting IoT. A [2020 benchmarking study](#) revealed that over two thirds (67%) of field service companies were able to access machine data feeds from assets on a customer site.

This is reinforced within this study, both in terms of new assets being IoT enabled and existing assets being retrofitted to have IoT connectivity.

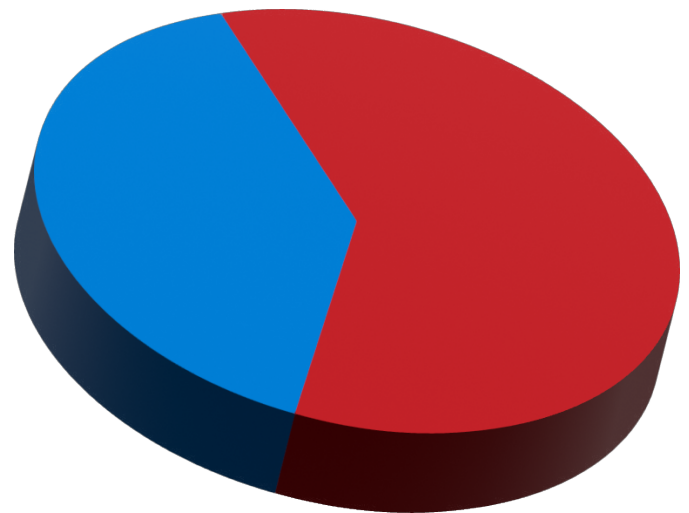
Regarding new assets being developed with IoT capability, on average, 41% of new assets are now IoT enabled across the companies within this study. (Fig. 7 right)

Furthermore, the study findings revealed that companies that intend to retrofit existing assets on average state that they will be seeking to add connectivity to 61% of their unconnected install base. In total just over half (57%) of companies stated they intend to retrofit existing assets within their install base that are currently not connected.

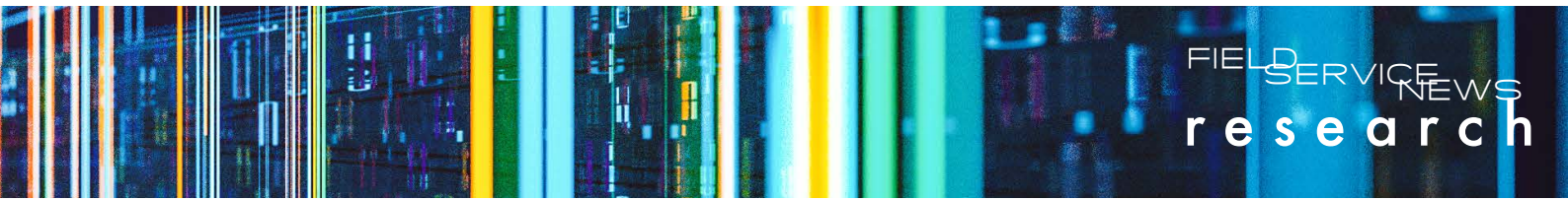
There were several reasons for going through this retrofit process that were left within an open comment box to the question 'What are the main criteria for deciding which legacy assets should be connected to IoT'.

These included 'improving warranty and BER status and 'avoiding breakdowns in service (proactive maintenance)'. However, the most common theme we saw amongst the responses to this question were a customer pull to do so with responses including 'customers wish to upgrade and the value of that contract to the business,' 'customer economic,' and 'customer demand and expectation.'

Figure Seven: Responses to the Question “What percentages of new assets in your organization are IoT enabled?”



- *New assets are IoT enabled (41%)*
- *New assets that are not IoT enabled (59%)*



# Section Five: Understanding of Asset Data is Being Utilized and Leveraged

Having identified how asset data is being collected in this report’s next segment; we shall now look at how that data is being utilized. We asked our respondents ‘how does your organization primarily see the information you receive from assets’ and provided four options.

These options were ‘improving your field service operations,’ ‘driving customer success,’ ‘improving product design and quality and ‘creating new services or revenue operations.’

The data from the study findings here were particularly illuminating. In previous Field Service News Research studies, we have seen the increasing use of data to drive operational efficiency and customer satisfaction and success. Indeed, the most recent Field Service News Research report specifically noted the [rising importance of CSAT in the eyes of field service companies](#).

Therefore, it would be a fair assumption that either of these two options would be seen as the most cited of the options presented. However, this turns out not to be the case.

While the distribution spread of responses was relatively even, the most widely cited of the responses was, in fact, creating new services or revenue opportunities - cited by just under a third (29%) of respondents.

Indeed, driving customer success sat at the other side of the spectrum cited by just 18% of respondents while improving product design and improving field service operations were closely aligned with 26% and 25% of respondents, respectively. (Fig 8 below)

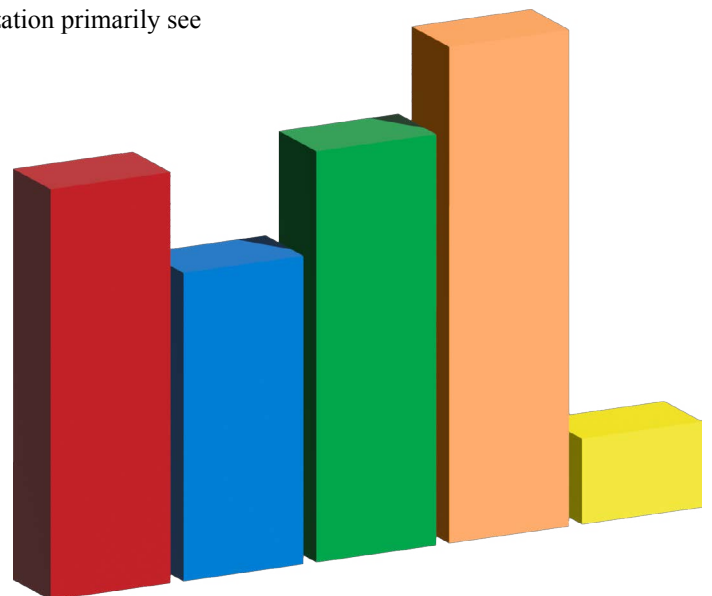
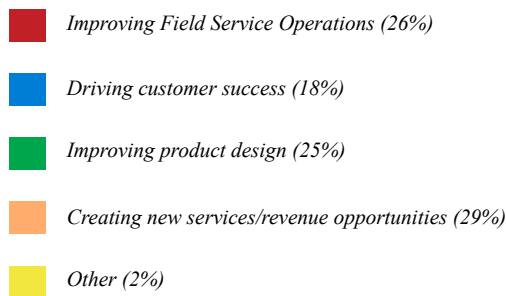
This suggests that while asset data is undoubtedly of use within field service operations, organizations are beginning to see that this data can also have a positive impact beyond these confines. In fact, this assertion was wholeheartedly backed up by the study findings. We directly asked our respondents if asset data gets shared with other businesses within the organization. Over three-quarters, (81%) of companies stated that this was indeed the case.

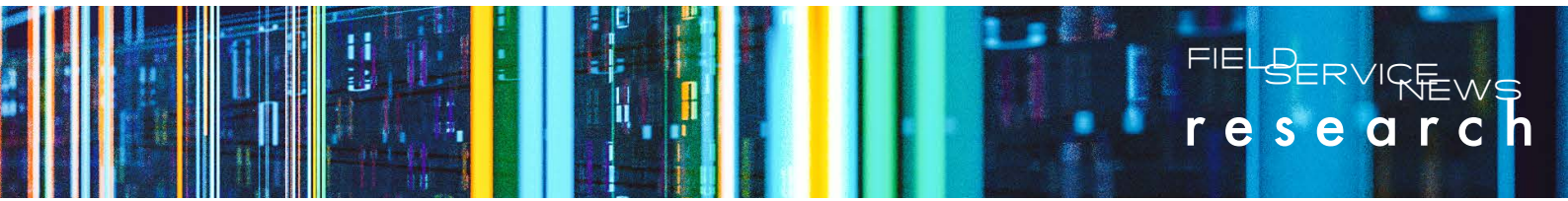
Drilling further into this question, we then asked our respondents to identify which other business units currently have access to this data, asking our respondents to tick any applicable.

The responses to this question showed that the asset data was widely shared across numerous business units.

The most commonly cited business unit was perhaps unsurprisingly Technical Support which over three quarters (85%) of companies stated have access to

Figure Eight: Responses to the Question “How does your organization primarily see the information you receive from assets?”





asset data.

The next two most commonly cited departments that have access to asset data were customer service/success and sales, both of which were cited by over half of the companies within the study (58% and 53%, respectively). There were, however, three core business units that received asset data less than may have been expected.

The first was product design and R&D, where less than half (46%) of companies stated they shared asset data. Given that asset data could reveal critical information such as common faults and mean-time-to-failure, this seems to be a business unit that is still underserved when accessing asset data. The second of these business units that receives asset data less frequently than anticipated is within the supply chain, where only 31% of companies share asset data. Again, early indicators of component failure or consumables use could significantly improve supply chain efficiency.

The final business unit in this group where we might expect to see asset data utilized more than it currently is the marketing department, where less than a quarter (23%) of companies share asset data. This seems counterintuitive given that we see twice as many companies sharing asset data with their sales departments and fundamentally marketing us a supportive function of sales.

However, in general, the fact is that asset data is shared quite widely across the majority of organizations and multiple business units. However, precisely what asset data is being shared?

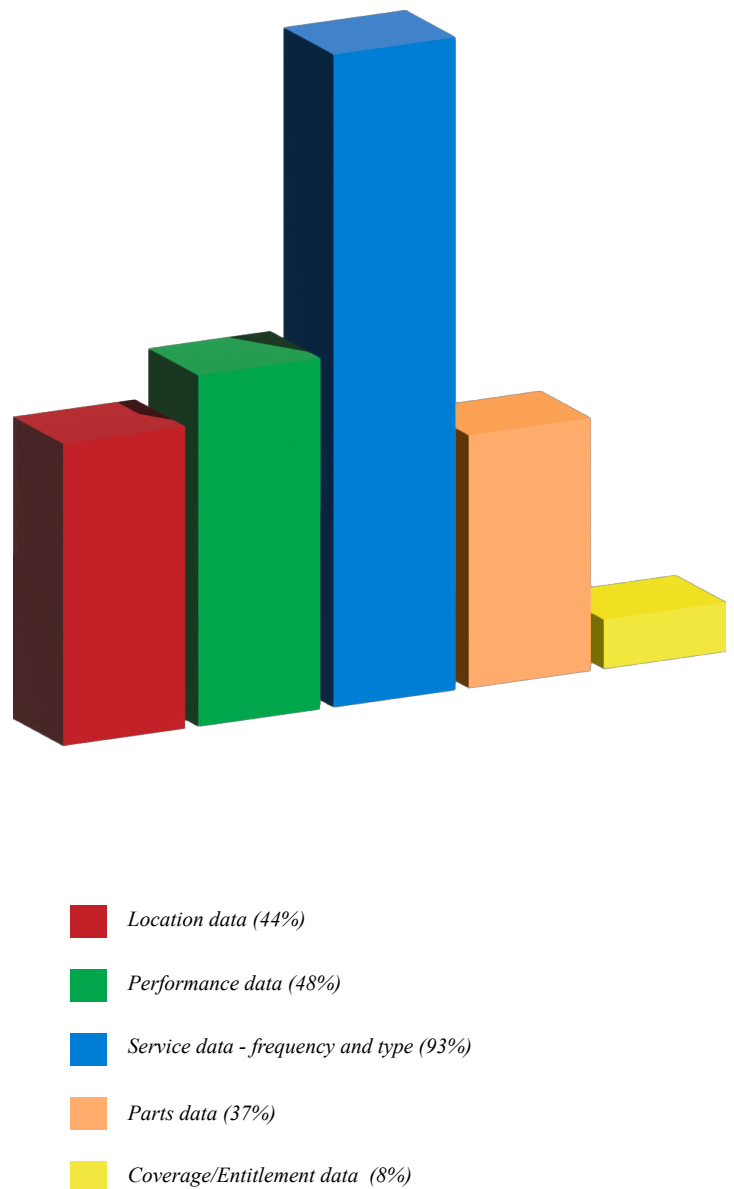
When clarifying this with our respondents, we offered a selection of options that included location data, performance data, service data (frequency and type), parts, and coverage/entitlements and again asked them to select those relevant to their organization.

Service data distribution was almost universally cited by all respondents whose organizations shared data across the business. Over nine-tenths (93%) stated this is part of the asset data they share. (Fig 9 right)

Beyond this, both performance data and location data were shared by just under half of the respondents within this sub-set (48% and 44%, respectively). Parts data was shared by just over a third (37%) of companies – which marries with the relatively low number of companies sharing asset data with the supply chain departments.

However, the most surprising response to this question was that less than a tenth (8%) of companies shared coverage or entitlement asset data across business units. Again, as we return to the previous section of this report and the relatively low percentage of companies that share asset data with their marketing department, this would seem to be clear low hanging fruit that many companies could benefit from in terms of tailoring marketing efforts towards those clients whose assets are soon to move out of coverage.

Figure Nine: Responses to the Question “Which of the following sets of data are shared with other business units with your organization: (tick all that are relevant)”



# Section Six: The Perception of Field Service from Other Business Units

Having explored the flow of asset data across different business units, we next wanted to examine the level of collaboration across different business units as well as whether there was a correlation between asset data flow and cross-department collaboration.

Our opening question in this study section was geared towards initially understanding how other business units view field service operations within the broader organization. We asked our respondents if the ‘field service operation is seen amongst other units within the business as a strategic driver for revenue growth?’.

Looking at those organizations within the study whose field service operation is a revenue generator within their organization, we then wanted to understand if this role as a revenue generator was acknowledged across the wider business. About two thirds (68%) of respondents stated ‘Yes – service revenue is a major contributor within our organization and widely acknowledged as such,’ while just under a third (32%) of respondents stated ‘No – service revenue is a major contributor to overall profit in our organization but it is not generally acknowledged/realized in other departments.’ (Fig 10. Right)

This is a hugely positive finding within the study as the role of field service operations continues to gain more importance as a critical strategic element in the broader business landscape.

Our next set of questions allowed us to see which departments this understanding of the value of field service to the broader organization was best understood. We asked our respondents to identify whether their colleagues in other departments had either a poor, average, good, very good or excellent understanding of field service value.

We asked our respondents to rank the following other departments. Marketing, Supply Chain, Finance, IT, R&D and Quality Control, Corporate Social Responsibility (CSR), Sales, Customer Service and Compliance.

Of these business units, only five were cited as having an excellent understanding. These were Compliance (19%), Customer Service (13%), Sales (14%), CSR (8%) and R&D (7%). If we look at overall awareness of the value of field service to the wider organization, there are some interesting observations.

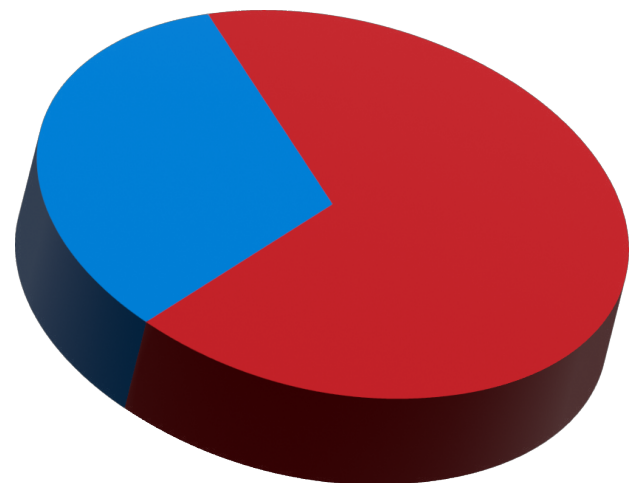
Looking at the broader percentages scored from a range of good understanding or higher, unsurprisingly it is the Sales department that stands out as the one department that has the greatest understanding of the value of field service with over three quarters (82%) of respondents stating that they felt their colleagues in the sales department had at least a good understanding.

Perhaps the most eye-opening finding in this particular section of the study was that less than half (42%) of the respondents had such confidence in their colleagues when it came to IT departments.

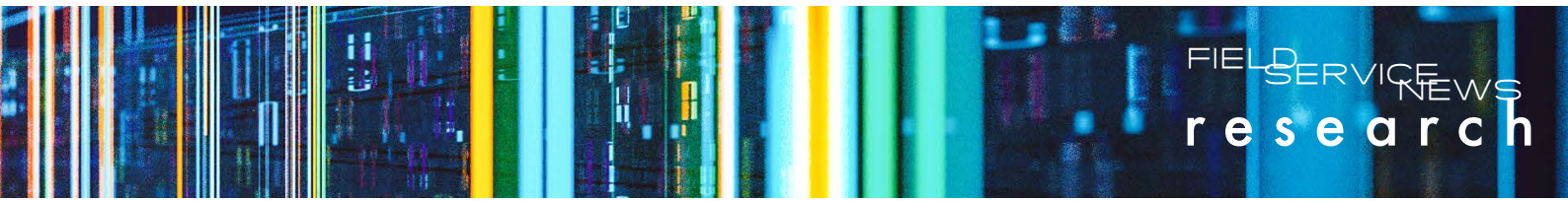
When we consider just how significant the role of IT systems is in modern field service operations, this is a particularly illuminating find. Another department that scored somewhat surprisingly low was the Supply Chain, where only slightly over half (52%) were ranked as having a good or better understanding of the value of field service operations within the business.

Similarly, the fact that only 59% of respondents felt their colleagues in Finance understood the value field service brings to an organization would suggest that perhaps, while the talk of servitization is dominant within our industry; there remains a disconnect between the theory and reality.

Figure Ten: Responses to the Question “Is your field service operation seen amongst other units within the business as a strategic driver for revenue growth?” (showing percentage of responses from companies where service is a revenue driver)



- Yes - service revenue is a major contributor and widely acknowledged (68%)
- No - Service revenue is a major contributor but not acknowledged (32%)



# Section Seven: The Prevalence of Cross Department Collaboration

With this information in hand, the next thing we wanted to ascertain in the study was whether there was a correlation between the perceived understanding of the value of field service within other departments and the level of cooperation across departments.

We asked our respondents how often they work alongside leaders from other departments within the organization giving options of daily, weekly, monthly, quarterly, annually or never.

To begin, let us look at the percentages of companies that never work with other business units as there were some exciting findings amongst this set of conclusions.

For example, nearly a fifth (19%) of the field service leaders represented in the study had never worked alongside their colleagues in marketing; a similar amount of our respondents have never worked alongside their colleagues in compliance or R&D either (17% and 18% respectively). With each of these three disciplines potentially being likely to improve on their department KPIs if they had greater insight into field service operations, these findings certainly highlight just how frequently businesses still work within defined silos.

However, perhaps the perfect example of the lack of cohesion across departments is revealed when we see that almost a third of respondents (31%) have never worked alongside their colleagues in the Corporate Social Responsibility (CSR) division.

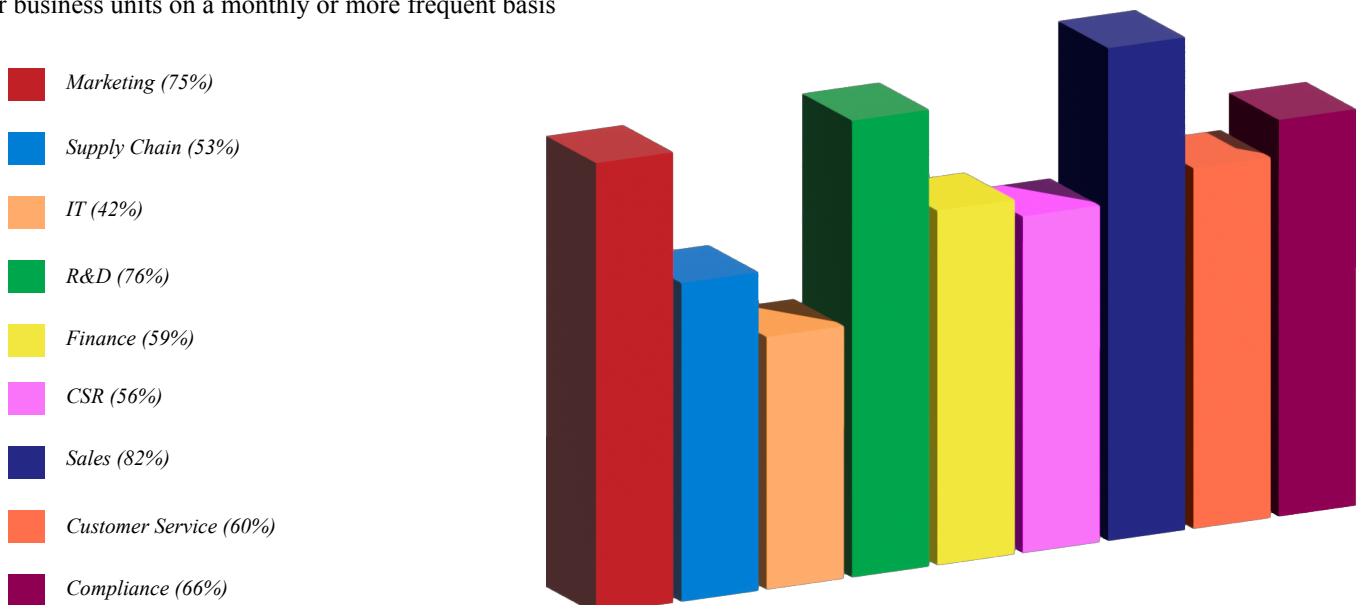
This finding in particular stands out as many of the fundamental elements of CSR should clearly be better aligned with more efficient field service operations.

There is an obvious argument for servitization based on a circular economy – something good for customers, the bottom line, and the environment. Similarly, the need to broaden recruitment paths ticks boxes when it comes to increasing the diversity of a workforce and overcoming the ageing workforce crisis many are facing.

The fact that CSR departments scored the second-lowest in terms of understanding the value of field service and lowest in terms of working alongside their field service management colleagues – suggests that there are many opportunities to drive improvements for both departments being overlooked because of a lack of understanding and collaboration.

At the other end of the spectrum, we see Customer Service and Sales showing

Figure Eleven: Percentage of service leaders working alongside senior colleagues from other business units on a monthly or more frequent basis



a high correlation between the frequency these departments work with their colleagues in field service operations and their perceived understanding of the value field service brings to the broader organization.

Over 83% of respondents to the study stated they worked with leaders from Customer Services at least on a monthly basis. Almost a third (29%) of respondents stated they did so on a daily basis, and over two-thirds (35%) did so on a weekly basis. Nearly two thirds (60%) of respondents stated they felt their colleagues in Customer Service leadership understood the value of field service operations to the wider business. (Figure 11, previous page)

We saw a similar story with senior leadership within the Sales division.

Three quarters (75%) of the study respondents worked alongside their colleagues in senior leadership within the Sales unit on at least a monthly basis.

A quarter (25%) of respondents stated they did so on a daily basis, and just under half (44%) did so on a weekly basis. Perhaps unsurprisingly, Sales leadership was also cited as the department that understood the value of field service the most, with over three quarters (82%) of respondents stating they believed their colleagues in the Sales division had at least a good understanding of the value field service delivers to the wider organization.

Looking at these two business units, it would seem that there is a correlation between the frequency of collaboration and the perceived value of field service amongst business units within the organization.

However, the study findings reveal this is not always the case. Two other critical business units, IT and Finance, both show the inverse.

Over three quarters (77%) of respondents stated that they work with their senior colleagues from the IT department on at least a monthly basis. Almost a fifth (17%) of respondents declared they do so on a daily basis, while over two thirds (34%) do so on a weekly basis. Despite this frequent cross-department collaboration, the IT department was viewed as the least likely to have a good or better understanding of the value of field service to the wider business, with only 42% of respondents stating they felt this to be the case.

Regarding the Finance department, just under three quarters (73%) of respondents stated they work with their senior colleagues from this department at least once a month. However, less than a tenth said they do so on a daily basis, while almost half (47%) do so on a weekly basis.

However, once again, despite the relatively close working relationship between the field service and finance departments, only slightly more than half of the study respondents (57%) stated they felt their colleagues in senior leadership roles within the Finance department had an understanding of the value of field

service that was good or better.

This would suggest that the correlation between the proximity and frequency of working relations with other units and a firm understanding of the value of field service operations in those respective divisions doesn't necessarily hold. With this in mind, we must consider how we move towards more effective collaboration that engenders a genuine understanding of the challenges within the respective business units.

We asked our respondents what they felt they would need for more effective collaboration between field service operations and other business units.

The most widely cited option provided was improved organizational structure, which almost two-thirds of respondents (61%) cited. This was closely followed by executive-level direction, which was cited by over half (53%) of respondents. In contrast, just under half of the respondents stated that greater data flow between business units would allow for more effective collaboration.

However, as we recall from earlier in this study, 81% of companies within the response set stated that they are currently sharing asset data across the wider business – with over half of respondents later saying that this would be a key area in which they could see improvements being made to facilitate better collaboration, the study findings would appear to indicate that while asset data may flow more freely than before, it is not being used effectively.

The answer to why this may be the case may be because there are multiple disparate IT systems within most organizations.

While slightly over a third (39%) of companies in the study state they are using a unified platform across all business units, a similar number (34%) state that they are using multiple solutions and data flow is limited.

Meanwhile, just under a fifth (18%) of companies state that they use multiple systems, and data flows seamlessly across these.

The study findings indicate that the resolution to better cross-department collaboration sits both in business structure and improves the flow of asset data between disparate systems. In one sense, it could be viewed that the organizational structure allows for collaboration to take place.

Still, a common view of data offers a shared language for all departments to have as a basis to make such collaborations effective.

Of course, both of these elements are often found at the heart of the discussion of servitization – and in the final segment of this report, we shall explore the correlation between servitization, asset data flow and cross-department collaboration.

# Section Eight: Does the flow of asset data and cross department collaboration plot the path towards servitization?

In the final section of the study, we focused on two areas to help add further meaning to the overall study and context to some of the trends we had already seen emerge.

The first of these was to identify which of the organizations within the study had implemented or were developing advanced services or servitization strategies and see if there was any correlation between the widespread use of asset data across the organization and cross-department collaboration.

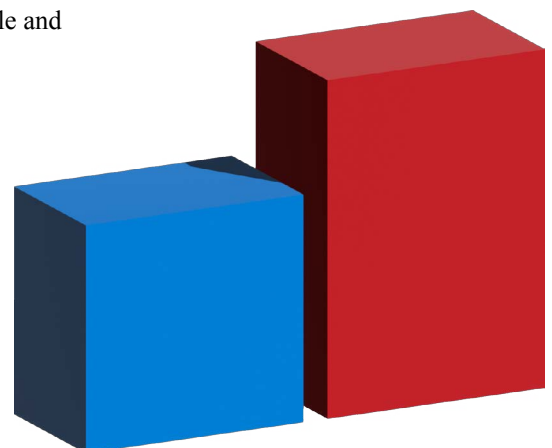
Just over half (52%) of the companies within our response set stated that they offer some form of advanced services/servitization within their service portfolio.

To help identify trends amongst these organizations regarding asset data flow, we compare some of the responses from this subset to those we have already reviewed, looking at the complete data set.

Firstly, when we review the responses to the question “Do you believe the field service business unit receives enough data from your assets in the field into your systems of record to positively impact your field service operations?” We see a significant increase in the percentage of respondents stating that asset data is readily available and is used effectively within their organization. In the complete response set, less than half (43%) of respondents state this to be the case. When we look at those companies that have adopted servitization, this figure moves upwards to almost two thirds (61%). (Fig 12 below)

Figure Twelve: Percentage of respondents stating asset data is readily available and used effectively (comparison of servitized and non-servitized operations)

- Companies with a servitized or advanced service component in portfolio (61%)
- Companies with no servitized or advanced services element in their portfolio (43%)



When we look at the responses to the question ‘what percentage of your install base is capable of providing asset data remotely from the field into the relevant system of record (i.e. the assets are connected via IoT)?’

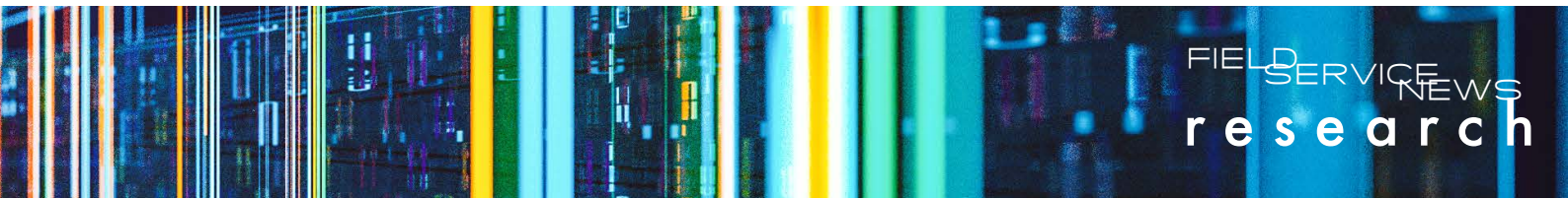
We again see that those companies that have adopted a servitization model score significantly higher on average in this area, with 52% of assets amongst these companies being able to provide asset data remotely compared to just 32% for the whole group.

Similarly, within the main group, only 41% of new assets are IoT enabled, while amongst those with some level of servitization adoption, this number increases to 66%.

However, perhaps the most revealing finding within this comparison is when we look at the percentage of companies within the servitization sub-group who state that asset data gets shared with other business units within the organization.

While the number for the complete response set was already high at 82%, when we look at just the responses from organizations who state they have some adoption of servitization, the sharing of asset data across a business is universal, with 100% of respondents stating this is the case within their company.

It would undoubtedly appear that the better flow of asset data across a business is either a driver for or a bi-product of servitization.



As we take a similar approach to understanding cross-department understanding and collaboration, we again see interesting trends emerge.

Perhaps the most striking first observation that can be made here is that as we reflect on the responses from this sub-group to the question “How well do you think other business units have an understanding of the value of field service to the wider organization?” we see the almost complete reduction of respondents believing that their colleagues in other departments had a poor understanding of the value of field service operations. Indeed, this level of response is now solely within the IT department, which, interestingly, a fifth (20%) of respondents still feel to be the case.

In the main though, as we look at the comparative data, we see all other departments being consistently marked as having a better understanding of the value of field service within this sub-group than we do in the data from the total respondents. This is particularly clear when we look at the perception of understanding across the marketing and sales departments, both of which our respondents state they believe 100% of their colleagues in these departments have a good or better level of understanding (compared to 75% and 82% respectively.)

Similarly, across the board, we also see far greater collaboration on a more frequent basis as we look at the percentages respondents stated they worked with colleagues from other departments, we see an increase within the servitization sub-group across every department listed.

While we shall be exploring this phenomenon in greater detail within our follow up interviews in the second phase of this research project, the data within this qualitative study certainly appears to support the hypothesis that there is an identifiable correlation between the flow of asset data, the likelihood of collaboration across departments and the adoption of servitization within an

organization.

Having identified these trends, let us now see if this correlation extends to better overall operational performance outside of the parameters of servitization also.

Having identified a correlation between asset data flow and servitization, in the final segment of the study, we wanted to see if that correlation also holds in terms of core performance metrics that are generally accepted as indicators of best-in-class performance.

In this final section of the report, we shall compare the reported performance of organizations of those organizations who stated they have a flow of asset data across different business units and those who do not. We asked our respondents to rank their performance in several critical areas out of 10, (with ten being excellent and 0 being very poor)

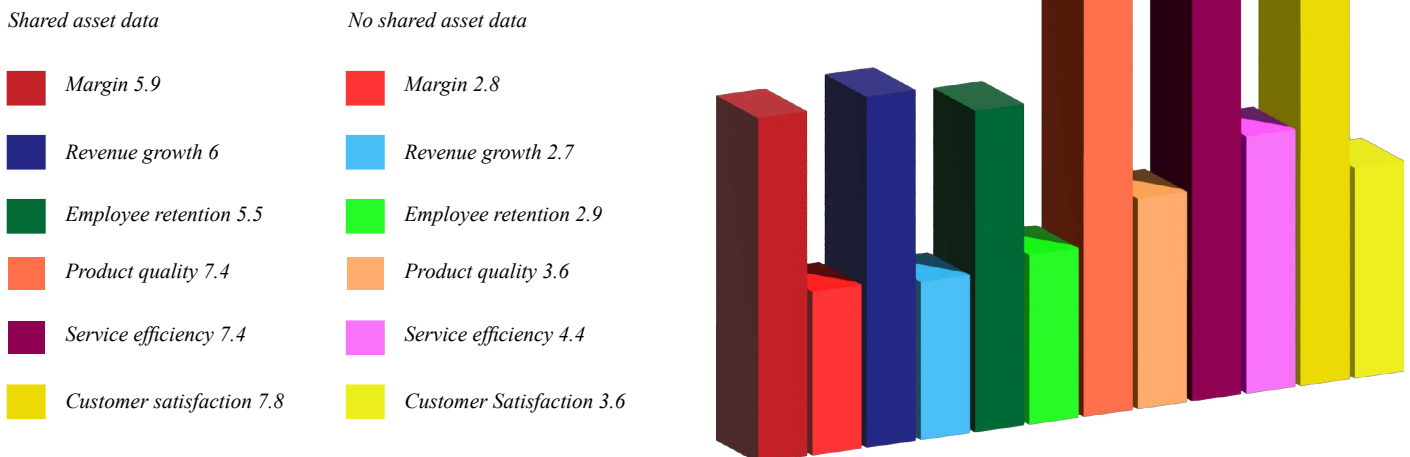
The results here were comprehensive. In every metric we asked our respondents to rank their performance, those who had previously indicated that asset data was shared across the organization stated a higher performance.

In terms of margin, those in the response set that asset data flow across the business ranked their performance at 5.9 on average compared to those who do not share asset data who reported their performance as 2.8.

In terms of revenue growth, the first group reported an average score of 6, while the second group reported an average of 2.7.

Regarding employee retention, the reported scores were 5.5 vs 2.9; product quality was 7.4 vs 3.6, service delivery efficiency 7.4 vs 4.4 and customer satisfaction reported scores were 7.8 vs 3.6. (Fig.13 below)

Figure Thirteen: Comparison of performance (self-reported) between companies who share asset data across the business vs. those that do not.



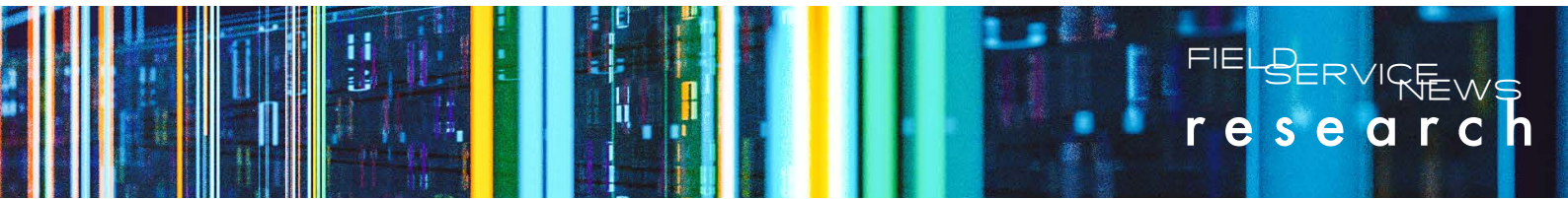
# Conclusions: Five Takeaways from the Study Findings

It would seem that the current study findings have revealed several key trends and correlations that while we may have been able to predict before this study, have never been genuinely supported by a meaningful study as it has been here.

The following can undoubtedly be deduced from the study findings:

1. The industry is going through a period of transition. While the pandemic has been a significant disruptor on all markets, many external and internal factors drive change that we need to be aware of as service leaders.
2. Our industry has firmly grasped digital transformation and data-driven approaches to service design and delivery are at the vanguard of how our industry is adapting and evolving.
3. The vast majority (82%) of organizations are now able to receive asset data. However, more than half of organizations admit to not using this data effectively within the field service unit.
4. Similarly, sharing asset data across different business units is prevalent, with 81% of companies doing so. However, 34% of companies state that while asset data is shared across the business, its use is limited by disparate systems of record.
5. However, amongst those organizations where data is shared across the business units, there is a greater likelihood of cross-department collaboration, development of servitization and improved performance.

In the following phases of this study we will be reflecting through these initial trends in a detailed debrief session before completing the final qualitative phase of the study where we will be compiling the insights from the follow up sessions we are currently conducting and presenting the further insights from these interviews into the final report in this study. All of this following content will be available @ [research.fieldservicenews.com](https://research.fieldservicenews.com)



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