





Customer-Centricity, Technology and the New Normal of the Field Service Sector

uring 2021, Field Service News Research hosted a global study in partnership with HSO that was designed to understand the importance of customer service in field service operations and how the ability to drive improvements in customer success strategies is being empowered by technology.

The study spoke to a sample of over 280 field service leaders from a variety of different industry verticals including manufacturing, utilities, telecommunications, power generation, healthcare, med-tech, security and others.

With such a comprehensive base, the findings of the study allowed us to offer fresh insights on a global basis that built on the trends we have seen emerging across a number of studies, where we have seen a marked shift in the emphasis on the metrics which define success within field service operations.

Traditionally, the critical metrics within field service organisations have centred around operational success. KPIs such as Mean-time-to-Repair (MTTR), Technician Utilisation and First-Time-Fix (FTF) have always been at the top of any benchmarking study relating to this area.

However, increasingly across the last few years of undertaking such benchmarking studies, we have seen Customer Satisfaction (CSAT) metrics become widely cited as critical KPIs amongst field service organisations.

For example, in a previous study hosted by FSN Research, <u>we noted that 51%</u> of field service companies now saw an equal weighting in importance between <u>operationally-focused KPIs and CSAT-focused KPIs</u>. Furthermore, 13% of field service companies went further and stated that they felt CSAT focused KPIs were of greater importance for measuring their business success.

The purpose of our initial study earlier this year was therefore to place our fingers on the pulse of how these trends are continuing to evolve and to understand precisely what CSAT metrics are being tracked. At the same time, we also were also aware that the digital transformation journey our sector

has been on for several years has been significantly accelerated due to the pandemic. Indeed, there has been much discussion of what the new normal will look like for the field service sector.

However, the indicators apparent within numerous studies from FSN Research and beyond suggest many of the key trends that were emerging will be at the heart of our thinking as we move into the brave new world of the post pandemic field service operations.

Three of the key pillars of this future of field service are servitization, digital transformation and customer-centricity. Therefore, the second objective of the initial study was to better define the interplay between these three crucial areas.

Having completed this study on a global basis we wanted to return to the topic with a focus on the UK market. The reason for this was that the UK has been in an increasingly unique position within the last few years. It has always been a relatively mature market in terms of customer-centricity, service strategy and technology adoption. Additionally, post-Brexit the UK is becoming on one hand more isolated and on the other more autonomous in terms of market dynamics - something that has been exposed clearly as the pandemic swept across the world.

While it is important the politics of nations does not influence business decisions, this mix of circumstances makes the UK an interesting subject for further study, as these additional pressures and restraints could add further insight into the future development of forward thinking, customer-centric service design.

With this in mind we focused a second study solely on UK participants and spoke to an additional 130 field service leaders. In this report we will now compare the UK data to the global data.



Section One: Importance of CSAT on Growth Strategies

In the first of a new series of comparative analyses across a global study and a follow-up UK study hosted by Field Service News Research in partnership with HSO, we look at trends relating to the importance of customer satisfaction metrics.

The first area we looked at in our initial report was whether the shift we had seen in previous studies, where Customer Satisfaction (CSAT) metrics were becoming deemed as at least as necessary, if not more important than operational metrics has continued in the post-pandemic era.

However, while in previous studies the focus on such metrics has often been limited to the impact on field service delivery, with the back-drop of increased servitization being revealed in a number of recent studies, we also wanted to understand if the increasing importance of CSAT metrics measured also directly related to the top-line strategies of field service companies.

One important mechanism we selected to help us determine the importance of CSAT metrics to broader business strategic aims, would be to understand how these align with revenue growth strategies.

To achieve this, we asked our respondents a series of questions based on various revenue growth strategies to understand the importance of CSAT metrics and, of course, performance in defining success within these areas.

The study findings in the original global study reinforced our initial hypothesis that we would see the shift to CSAT, not only as an outline of divisional and operational success, but also aligned to the growth strategies of field service organisations. The first area we explored in the study was how critical customer satisfaction is when defining operational success internally.

73% of the field service organisations within the global study outlined that customer satisfaction is 'extremely important' to defining operational success within their organisation. Furthermore, 22% of organisations stated it was 'very important' within their organisation, and only 4% said that such metrics were only of average importance.

In comparison to the global study, the UK focused data revealed a similar set of findings - although the results were even more pronounced. Over three quarters (78%) of respondents to the UK study responded 'extremely important' in response to this same question while a fifth (20%) stated very important. (fig.1 below)

Of course, as we pointed out in the earlier report this is perhaps of no surprise; however, the data does firmly reinforce the significance of CSAT as a metric to define operational success.

However, it was when we looked at the next set of responses in the first report

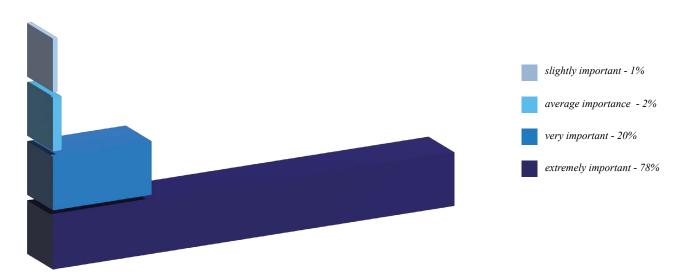


Figure 1: UK responses to the qustion - in your organisation how important a metric is customer satisfaction to define your own operational success?



that we really began to see just how deeply embedded customer satisfaction scores are within growth strategies.

The first of these results again showed a trend we would have anticipated. Over two thirds (71%) of field service organisations identified stated that they believed such metrics were 'extremely important' when it comes to retaining business.

Just over a quarter (26%) said such metrics were 'very important', and 4% felt they were 'reasonably important'. Given that consistently poor customer service is widely known to result in customer leakage, this is not an unexpected finding.

Again we see a similar contrast with the UK specific findings with over three quarters (75%) of respondents citing the 'extremely important' response rate and similar numbers to the global data stating very good and reasonable (UK data was 19% very important and 5% stating reasonable importance).

So far as we look at the comparison between the two data sets, we see similar trends, however with an even greater weighting on the importance of CSAT metrics amongst the UK participants.

However, the truly enlightening discovery of the first study was discovered when we looked at the responses to the following two questions within the

studv.

Firstly, we asked our respondents how important they saw customer satisfaction scores for increasing revenue from existing customers. As with the previous questions in this opening segment of the study, we would likely anticipate that most companies would see a positive correlation between these two facets of service delivery. Happy customers are more likely to be open to other service offerings being introduced.

Indeed, the original study's findings corroborated this assertion. 57% of respondents stated that customer satisfaction was 'extremely important' in this area, while 30% said it was 'very important' and 12% stated it was 'reasonably important'.

The UK responses reveal a slightly different sentiment, however. As with previous studies we see an increase of those who responded extremely important with 61% of UK respondents citing this response. 25% of UK respondents stated they felt it was 'very important' which is slightly below the global response. (fig 2. below)

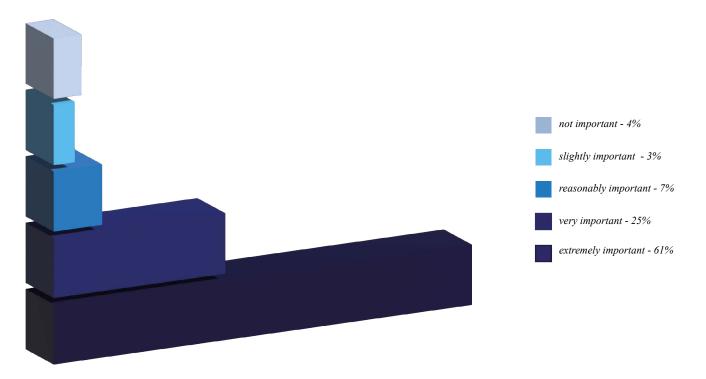


Figure 2: UK responses to the question - do you think high customer satisfaction scores are important for increasing revenue from existing customers?



However, it is in the less cited responses that we see actual divergence. While those respondents answering reasonably important or lower are similar in both studies (12% in global 13% in the UK) within the global study all respondents in this bracket were in the 'reasonably important' group while in the UK data we see this group split with 3% stating these metrics are only slightly important to increasing revenue from existing customers and 4% stating these metrics are not important at all.

This divergence of trend is also mirrored in the final question within this section of the study. In response to the question 'do you think that high customer satisfaction scores are important for winning new business?' Over half the global respondents (56%) of field service companies within the study stated they felt such scores were 'extremely important'. Again slightly more of their UK counterparts (61%) gave the same response.

In comparison, 32% of global respondents said these were 'very important', compared to 23% of UK respondents while 11% of both groups stated such metrics were 'reasonably important'.

However, it is only within the UK group that we see responses that such metrics are not important at all for winning new business- which 5% of respondents stated.

Our initial commentary on the global data was that this indicates field service organisations align high customer satisfaction scores with growing revenue amongst their existing client base, and their ability to deliver service excellence was a clear differentiator to allow them to win new business.

Ultimately, the study data is clear- customer satisfaction is now positioned at

the heart of both retaining existing business and winning new business.

In comparison, the UK findings largely mirror this assertion. It would seem that the difference is largely that those who believe in the importance of CSAT metrics do so more forcefully with the response 'extremely important' being more prevalent across the board.

However, it also seems that the small group who do not feel these metrics are of use in winning or increasing new revenue are equally more wedded to that belief with the variance in the last two questions being amongst those who saw such metrics as reasonably useful in the global study, being balanced with more respondents seeing no value in the metrics in the UK study. It should be noted though that in both studies these latter groups were in the significant minority.

Across both studies however, we saw that increasing revenue from both existing customers and winning new business were parallel aspects of revenue growth strategies. 59% of field service companies within the global study, and 56% of UK organisations state that their growth strategy is evenly balanced alongside these two areas of revenue growth. (fig 3. below)

As we concluded in our original report, the findings in both studies seems clear; amongst field service organisations, high customer satisfaction scores are seen as an indicator of internal operational success and a crucial mechanism within revenue growth strategies.

In short, CSAT measurements have become critical amongst field service organisations and this finding is consistent across both studies.

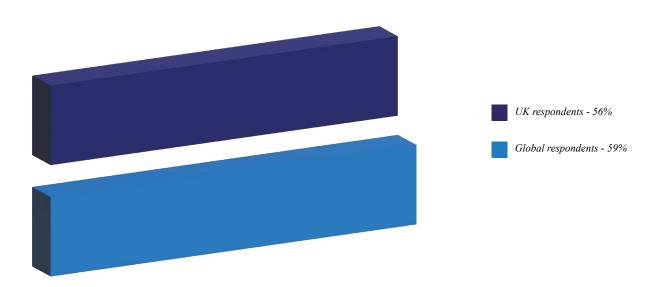


Figure 3: Comparative analysis of the percentage of companies whose revenue growth strategies are split across increasing share of wallet and winning new business



Section Two: Understanding the Metrics Being Used to Measure Customer Satisfaction

In the opening series of questions within these studies, we identified the prevalence and importance of CSAT metrics within field service organisations as a measurement of success both operationally and more strategically within the broader aims of the organisation.

We also saw that the respondents from the UK largely mirrored those in the global study although amongst those questions relating to CSAT as a measurement for operational success and as a predictor for an organisations ability to retain business UK respondents were more likely to cite such metrics as 'extremely important'.

However, when it comes to alignment with revenue UK respondents were slightly more polarised in general with greater representation not only within the 'extremely important responses' but also in the 'not important' responses.

Yet, the main data from both response sets indicates that CSAT metrics are not only widely used but broadly deemed to be 'extremely important' amongst the majority of field service organisations across several different strategic areas. The next line of questioning we wanted to explore was how companies were measuring their performance in terms of driving customer satisfaction.

We asked our respondents which of the following metrics they use to identify customer satisfaction:

- Net Promoter Score (NPS)
- Sentiment analysis
- · Social media monitoring
- Management level customer contact
- Customer satisfaction survey

The responses in the initial study to this set of questions revealed that while measuring such metrics is highly prevalent and significantly weighted towards being highly important to field service organisations, the tools used to do so remain reasonably rudimentary.

The three most commonly cited metrics in the global study were customer satisfaction surveys (66%), management level customer contact (56%) and NPS (50%) — all of which play an essential role within measuring customer satisfaction but are simpler metrics to implement and measure.

In the UK responses, these were also the most widely cited responses. (fig 4. below). However, amongst UK respondents there was a greater weighting on

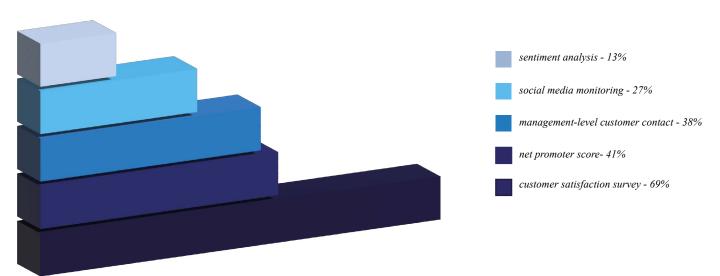


Figure 4: UK responses to the question - what are the key metrics you measure to identify customer satisfaction?



customer satisfaction surveys with this response being cited by over two thirds (69%) of respondents while NPS was the second most cited response which slightly less than half (41%) of respondents utilised, and management level customer contact was cited by just over two thirds (38%) of respondents.

Sentiment analysis and social media monitoring (the most sophisticated metrics included within the list) were leveraged by relatively few field service organisations (16% and 12%, respectively) in the global study. In contrast, while sentiment analysis remained a relatively underused tool amongst UK respondents also (14%) of respondents, more than twice (27%) as many UK companies were tracking social media monitoring than those within the global study.

These findings would appear to suggest that there is greater sophistication and more automation in terms of gathering CSAT metrics amongst UK field service companies than there is within the general global mean

With the importance of CSAT metrics clearly identified in the study, tools to measure them appear to be underused in our sector and this, therefore, provides an area where investment in such tools could yield an opportunity to gain competitive advantage. While the trends amongst UK field service organisations appear to be more advanced in this regard, such tools are still unused by the majority.

This was further evidenced when we asked our respondents how accurately they felt the metrics they measured for customer satisfaction provided a true reflection of their customer satisfaction levels.

The majority of field service companies in the global study (54%) stated that

they felt the metrics they measured were only reasonably accurate. In the UK study, we find a very similar level of response with 52% of respondents stating the same.

However, when we contrasted those organisations in the global study that are utilising sentiment analysis as part of their CSAT measurements to the broader response set, we saw the number of field service organisations that state their CSAT metrics are an 'extremely accurate' reflection of their actual customer satisfaction levels more than double from 7% to 16%. Once again in the UK study, we see very similar results with the increase between those who don't use sentiment analysis as a metric being 7% ranking their metrics as extremely effective compared to 15% amongst those that do. (Fig 5. below)

Our original report concluded that these findings revealed two clear takeaways from the study data so far. Firstly, while there is clear growing evidence that on a fundamental level the use of CSAT metrics as a core KPI and success measurement is prevalent within the field service sector, the approaches used are currently relatively immature.

Secondly, the results suggest that the use of more sophisticated measurements of CSAT such as sentiment analysis can potentially yield significant improvements in terms of the effectiveness and accuracy of how we monitor what is an increasingly crucial element of field service operations.

The remarkable similarity of the data in this second localised study, when compared to the responses in the initial global study only further reinforces these assertions and add even greater weight to the indications that the increased usage of sophisticated tools for measuring CSAT have a positive impact on driving better customer engagement and satisfaction levels.

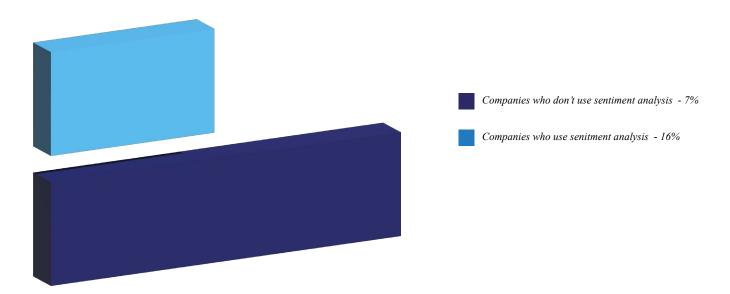


Figure 5: UK companies who believe their CSAT metrics are extremley accurate



Section Three: How & When Customer Feedback is Collected

aving looked at the tools used for capturing CSAT data in the previous segments of our reporting on these studies, the next area of focus, an equally important element within this equation is when such data should be collected.

In the previous set of questions across both studies, we saw apparent trends emerging in that most companies were using standard methodologies to collect their CSAT data (NPS, Customer surveys, Management feedback), there was a much smaller leading-edge group of companies that were using more sophisticated tools (sentiment analysis and social media monitoring).

However, when it comes to when is the best timing is for collecting customer feedback data, in the original global study there was far less industry consensus.

We asked our respondents to identify when they most frequently collect customer feedback, providing them with four options. These were:

Engineer collects feedback directly while on visit

- Request sent to the customer within 24 hours of visit
- Request sent to the customer after 24 hours of visit
- We don't specifically seek customer feedback

Surprisingly in the original study, almost a fifth of companies (18%) stated that they don't specifically seek customer feedback. In the light of the earlier findings of this study, we anticipate that this will be a diminishing number

across the coming years. However, we concluded in our first report that this was noticeably high. Amongst, UK respondents within the second study this figure is even higher at over a third of companies (34%). We could hypothesise that this could be the result of more automation that may be inferred from the findings of the previous section - however it is a finding within the study that is unexpected and will be further investigated in follow up interviews.

Reflecting back on the original study, when identifying the best time to seek customer feedback, the results were fairly evenly split.

The most widely cited response was a request being sent to the customer within 24 hours of the service visit identified by 29% of respondents. However, the engineer collecting feedback directly from the customer was only narrowly behind this cited by 28% of companies. Finally, a request being sent to the customer after 24 hours was also in a similar ballpark in terms of citations, with 24% of companies stating this is when they most frequently collect customer feedback.

The split across these three options within the UK response set was also similarly split. (fig 5. below).

In the UK study, we saw a request being sent to the customer within 24 hours of the service visit again being the most widely identified response cited by 26% of respondents. The second most widely cited response amongst this group was 'a request being sent to the customer after 24 hours ' which was cited by 22%

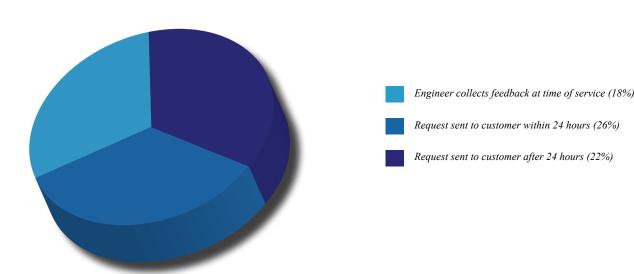


Figure 6: Frequency of when UK companies collect customer feedback



Interestingly, less than a fifth (18%) of field service companies within the UK study utilised their field service engineers for data collection. Could this perhaps be a societal trend - a reflection of the more rigid interpersonal boundaries amongst the UK populace?

Again it is a question that needs further investigation within follow up interviews, however, it is an interesting reminder that when dealing with human interactions and data collection, there may well be geographically related cultural differences that mean a one size-fits-all approach to success may not be applicable.

However, even when we look at the macro trends- there are, of course, benefits and downsides to each of these approaches, hence why we perhaps see such an even spread within the data.

For example, while direct collection from the engineer is perhaps the most effective means of collecting data, the results are potentially skewed as it may be uncomfortable for the customer to leave negative feedback around the service visit while the engineer is present. In the case of the UK, culturally this may be more pronounced than it is elsewhere in the world.

Similarly, as we outlined in the original report, a case could be made for requesting feedback within 24 hours, as the service call will be fresh in the customer's mind. However, should the service prove unsuccessful a few days later, this data will also be inaccurate.

On the flip side, if data is collected more than 24 hours after the service visit, while a more complete picture of the total service experience may be captured

the customer may have less recollection of other aspects of the service, such as timeliness of the engineer or other factors.

Indeed, it is a complicated issue to identify a best practice approach regarding timings, as the study findings show – but what about the most effective mechanisms for collecting the data? Here the global study began to reveal some insights into best practice.

We asked our respondents to rank the effectiveness of each of the following mechanisms for collecting customer feedback data from 'extremely effective' through four response options descending to 'not effective':

- Engineer request feedback directly in person (direct)
- SMS
- Fmail
- Phone

Of those field service companies that utilised email, direct and phone, most companies scored these measures as 'very effective' or 'extremely effective'. The highest-ranked of these three mechanisms was phone which 55% of companies ranked as 'very effective' or better.

Direct collection was ranked by 50% of companies as 'very effective' or better, and email was ranked by 49% of companies as 'very effective' or better.

Here the UK results once again tallied closely to those of the global study. (fig 7. below). Phone was ranked under this same parameters at 58%, direct collection via engineer at 48% and email ranked at 43%.

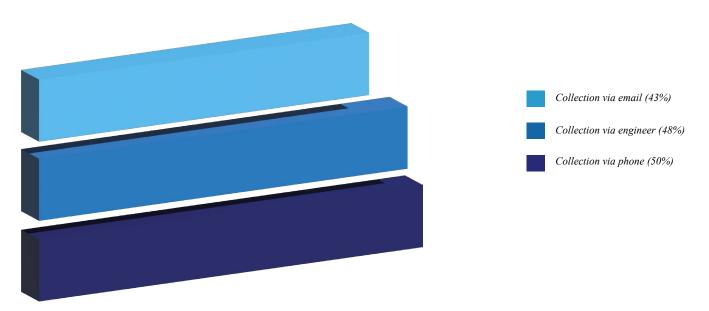


Figure 7: Percentage of UK companies ranking effectiveness of mechanisms for collecting customer feedback as very effective or better



When we extended this parameter in our original report to include the response 'reasonably effective', we see direct collection via engineer ranked as 'reasonably effective' or better by 83% of companies, email ranked by 81% of companies as 'reasonably effective' or better, and phone ranked by 78% of companies as 'reasonably effective' or better. (fig 8 below).

However, echoing the findings mentioned earlier in this section regarding the use of engineers to collect feedback directly, once again amongst the UK respondents we see less trust in this mechanism for data collection.

In fact, within these parameters, the phone remains the most effective mechanism for the collection of feedback for UK field service companies with 86% ranking it reasonably effective or higher.

However, email was the second most effective means of feedback collection within these widened parameters ranked 76% effective in general, while direct collection of feedback to the engineer slipped to third most effective with 70% of respondents citing this is reasonably effective or better.

The one outlier within both sets of responses was SMS.

Only 15% of companies in the global study had ranked SMS as 'very effective' or better, and even when extending this parameter to 'reasonably effective' or better, this number remains at less than two fifths (39%) of companies who use this technology to collect customer feedback stating that they believe it is an effective method of data collection.

The comparable results in the UK study were marginally better (25% and 60% respectively), but still SMS scores considerably lower in the UK study in terms of its perceived effectiveness as a tool for data collection than the other options.

In our original global study, initial feedback indicated that the telephone may be one of our best sources of obtaining customer feedback. However, given the additional cost and effort involved, an argument could be put forward that email could be the most cost-effective and reliable means of collecting customer feedback.

Considering that UK respondents were, in general, less open to and less trusting of direct collection of feedback by the engineer than those in the global study, this would serve to further reinforce this conclusion.

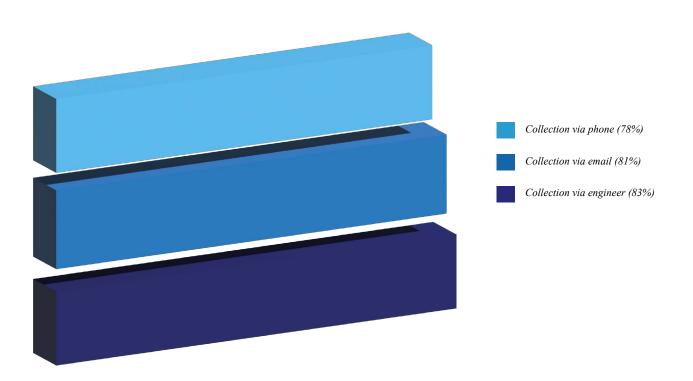


Figure 8: Percentage of UK companies ranking effectiveness of mechanisms for collecting customer feedback as reasonably effective or better



Section Four: Tools Used That Can Drive Improvements in Customer Satisfaction

 $\mathbf{5}$ o far in both the original report on the global study and this comparative report focusing on the additional data from the UK study, we have seen how the findings in both studies identified the critical importance of CSAT metrics within field service operations. We have also explored the most prevalent tools being used to measure CSAT and how field service companies are collecting customer feedback.

While this is all beneficial information, it is also very reactive analysis. It helps us understand how companies are monitoring the past performance of their service operation in terms of customer service.

However, in both studies, we also wanted to understand how field service companies are pro-actively driving improvements in their field service operations both today and in the future.

With this in mind, we asked our respondents to identify which tools they are using to drive improvements in customer service. The results from the global study were illuminating in that there was clear evidence of the widespread use of technology in this regard.

We listed the following technologies and asked our respondents to list any that they used and felt would drive customer service standards:

- Customer portal for appointment booking
- Chat-bots
- Omni-channel contact centres
- Real-time updates of engineer location for customers
- · Remote service offering (Augmented Reality)
- Remote service offering (Video)
- Dynamic Scheduling
- Engineer access to parts ordering
- Integrated CRM
- Artificial Intelligence enhanced triage
- Knowledge base for customers self-help

Of these technologies the most commonly cited within the global study were knowledge base for customers' self-help (48%), integrated CRM (41%), customer portals for appointment booking (39%), engineer access to parts ordering (39%) and remote service offering (video) (38%). (Fig 9. below).

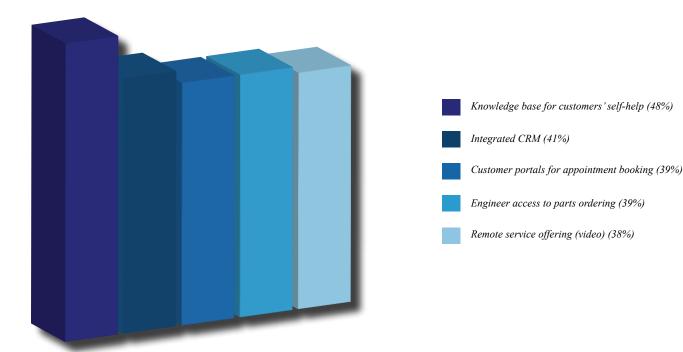


Figure 9: Most commonly cited technologies that are believed to drive improvements in customer service amongst respondents to the global study



However, close to a third of companies also stated that they were using Remote Service Offerings (Augmented Reality) (32%), Dynamic Scheduling (30%), and real-time updates of engineer location for customers (30%).

Technologies that would be deemed more advanced, however, were still reasonably prevalent, with between a quarter and a fifth of companies stating they have the following in use: Omni-channel contact centres (24%), Artificial Intelligence based triage (21%) and chat-bots (18%).

So how does the data from the UK data line up against the global study?

In the UK study, the top three technologies cited were customer portals for appointment bookings (50%), knowledge bases for customer self-help (39%), real-time updates for engineer locations (37%). (Fig 10. Below)

Other technologies that also scored highly were engineer access to parts ordering (32%), dynamic scheduling (31%), and remote service offering (27%).

In our original report on the global study, we noted the weighting of technologies centred around giving the customer more control within the service cycle. The presence of both customer-centric knowledge bases and also customer portals would indicate that this is a trend that has firmly taken root within service strategies.

Reflecting the UK data, this appears to be even more pronounced with customer portals scoring higher than any other technology across both studies.

Indeed, it could be inferred from the UK data that field service companies in the UK are prioritising investment in technology that is centred around firstly giving their customers the tools to be in control of service themselves (such as customer portals and knowledge banks) and then ensuring that the delivery of service is a quick, seamless and transparent as possible (dynamic scheduling, engineer parts ordering, real-time engineer location).

In our report on the global data, we also noted the prevalence of remote service delivery and how established within our sector this has become.

In the global data, when we look at the two remote service offering options available (video and augmented reality), 70% of field service companies within this response set appear to have remote service capabilities. In the UK, this number is significantly lower at 46%. However, for almost half of UK-based field service organisations, having the remote-service capability is still a major development.

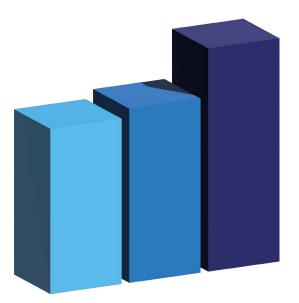
This is very much in line with previous Field Service News Research studies. We have seen 76% of field service companies stating they have remote service capabilities in a benchmarking study from late 2020 and 83% of companies stating the same in a study focused on remote service at the beginning of 2021.

In terms of more traditional on-site field service delivery, the alignment of improving customer satisfaction levels and driving internal efficiencies is also evidenced from this set of study responses and is highlighted in both studies.

Engineer access to parts ordering, for example, will improve the Mean Time to Repair ratio, driving service costs down and CSAT up. Similarly, the use of Dynamic Scheduling will mean an improved technician utilisation rate for the service provider and reduce any potential delays to meeting customer appointments.

Finally, it is interesting to see that even the technologies that were not too long ago only utilised by a small group of bleeding-edge early adopters have become relatively prevalent in their use.

In particular, omnichannel contact centres and artificial intelligence-based triage are technologies that can enhance the customer experience and begin to connect the dots of the service cycle in a much more efficient and holistic manner (cited by 19% and 13% of UK respondents respectively).



- Real-time updates for engineer locations (37%)
- Knowledge bases for customer self-help (39%)
 - Customer portals for appointment bookings (50%)

Figure 10: Top three technologies cited by UK field service companies as being capable of driving improvements in customer service/satisfaction



Section Five: General Perception of Maturity of Customer-Centric Driven Technologies Amongst Field Service Companies

Across the UK and global studies, we have seen widespread adoption of technologies and tools used by field service companies to drive customer satisfaction levels.

However, what is the industry sentiment with regards to the maturity of technology being used, and how will this differ as we offer up a comparative analysis between the global data and the UK based study?

In the next section of questions within the study, we focused on understanding how our respondents perceived the maturity of their technology adoption within their organisation and how they saw their industry verticals. The first question we asked was if our respondents would say their organisation is technologically advanced compared to others within their industry.

In the global study, the majority of companies (52%) saw themselves as being on par with most competitors. However, a third (33%) of companies felt they were ahead of their competition in this regard. In comparison, just over a tenth (13%) of companies thought they were behind their competition in terms of technology.

The UK data was overall slightly more balanced. 45% of companies felt that

they were on par with the industry, 30% of companies stated they were ahead of the competition and 23% stated they felt they were behind the competition. (Fig 11. Below)

We also asked our respondents if they felt that their industry was technologically advanced compared to other service-focused industries. Here, on the industry level, we saw even greater confidence in the maturity of technology amongst the global respondents, with over half of the respondents (51%) stating that they felt their industry was technologically advanced compared to just under a quarter (24%) of companies saying that they felt their industry was about average in terms of technology adoption. A similar amount (23%) felt that their industry was behind other sectors.

In this regard, there was less underlying confidence amongst the UK respondents although again it was a more balanced response. 38% of UK field service companies felt that the industry they operated in was more technologically advanced than others, while 35% stated their industry was behind others and 24% stated they felt their industry was about average in terms of technology adoption.

But how does this perception of UK companies compare to the reality? When

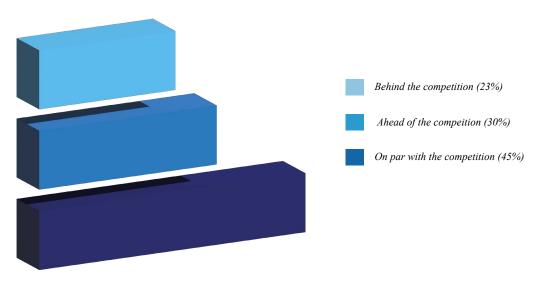


Figure 11: UK responses to the question - is your organisation is technologically advanced compared to others within your industry?



we look at the core technologies employed for field service management, there appeared to be a baseline maturity of technology adoption amongst field service organisations participating in the global study.

The following technologies were being used by at least half of all field service companies within the global study; Mobile applications (65%), Scheduling Systems (64%), Real-time analytics and dashboards (53%), Remote assistance capabilities (51%), Dedicated FSM system (50%).

Meanwhile, let us look at the comparative responses from UK field service companies: Mobile applications (67% +2% on global), Scheduling Systems (64% equal to global study), Real-time analytics and dashboards (49%- down 4% on the global study), Remote assistance capabilities (43% down 8% on the global study), Dedicated FSM system (30% down 20% on the global study). (Fig 12. Below)

These findings would seem to corroborate the sentiment we discovered in the responses to the previous question. UK companies appear to have less technological adoption than those in the global study. Of course, for a more detailed analysis, we would need to conduct more comparative studies, but the raw indication from these two studies would certainly indicate that this is the case.

This finding is particularly interesting as the UK is often regarded as a mature market in terms of field service technology adoption. However, counter-intuitively, such maturity could be an indicator as to why we see the UK lagging

behind in terms of technology adoption across the two studies that have a combined response group of over 500 field service leaders.

Could it be that UK field service companies' reliance on legacy systems be why we see such a discrepancy? Similarly, could it be that we see the maturity of field service in the UK as a factor that makes it harder for such companies to react as fast, which in a time of accelerated digital transformation could see them move from leading edge to laggard?

Even still, the findings of both studies do reveal a prevalence of technologies within the field service sector. Both studies findings appear to corroborate what many in the field service sector have believed for some time - we are now approaching a point of widespread adoption of fundamental technologies.

In our first report, we stated that we believed the investment in technology has now moved beyond the first iteration of evolution in our sector and into a new wave of technological advancement.

If this is the case, this would dovetail with the idea that the more mature markets would see slower acceleration of digital transformation. However, we could also be seeing the result of additional layers of complexity into the UK working environment caused by Brexit at play as well and hampering the rapid development and implementation of technology we are seeing elsewhere.

In the following section of this report, we shall turn our attention to digital transformation trends, which may give us further insight.

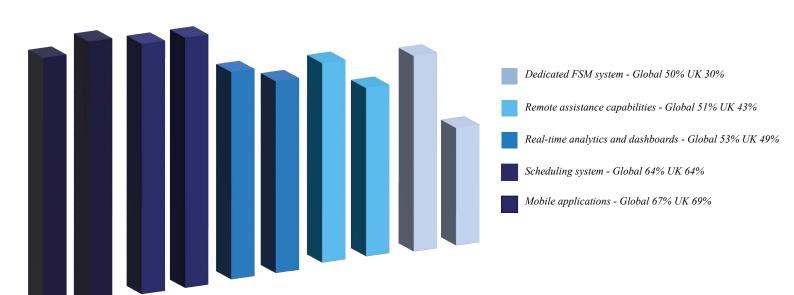


Figure 12: Comparative analysis of UK and Global data showing responses to the question - what technologies does your organisation use within your field service operations (showing top 5 technologies cited)



Section Six: The Impact of the Pandemic on Digital Transformation

While industry-wide digital transformation was undoubtedly a journey we were already on as a sector, the impact of the pandemic has undoubtedly been an accelerator. To measure just how significant that impact has been, and is continuing to be, on the field service sector, we asked our respondents if they had seen their digital transformation projects accelerated due to the pandemic.

In our initial report, slightly less than half (43%) of field service companies in the study stated that this was the case, and they had already begun implementing projects that were on their roadmap a lot sooner than anticipated. In the UK study, this number fell to just under a third of companies (32%) however, again it is still a significant percentage of UK field service companies that have accelerated their digital transformation programs.

Furthermore, almost a quarter of field service companies (24%) in the global study, and over a fifth (21%) in the UK study stated that the pandemic had accelerated their digital transformation projects. However, these companies were still in the process of identifying the next best steps, so that their solution is fully future-proofed.

In the global study, we then saw on the other end of the spectrum that just under a fifth of companies (17%) stated that they were already on a digital transformation path, and they have stayed on their original timeline while just over a tenth (13%) of companies stated that the pandemic had no impact on their digital transformation plans.

Amongst the UK respondents, we see slightly more companies in these brackets with 23% of companies stating they were on a digital transformation path already and we have stayed within that timeline while a fifth (20%) of UK field service companies stated the pandemic has had no impact on their digital transformation plans. Again, it is interesting to note that the UK companies while mirroring the wider global study do so in a slightly more reserved manner. (Fig 13. Below)

However, while the study data indicates that the pandemic has accelerated digital transformation for many field service organisations, the impact of the pandemic has also been something of a double-edged sword.

Nearly two thirds (62%) of the field service companies within the original global response set admitted that meeting customer expectations has become more challenging since the pandemic.

Similarly, 82% of field service companies within that first study also stated that ensuring customer success has even greater importance since the pandemic. Finally, we also saw in the original global study the same number (82%) of field service companies stating that they believe there is now greater customer expectation for service companies to offer digital solutions such as customer portals. Again, let us compare this with the UK specific study.

In terms of increasing expectations, an even greater number of UK companies, in fact over three quarters (76%) stated that they felt meeting customer demands was harder since the pandemic. However, UK companies were

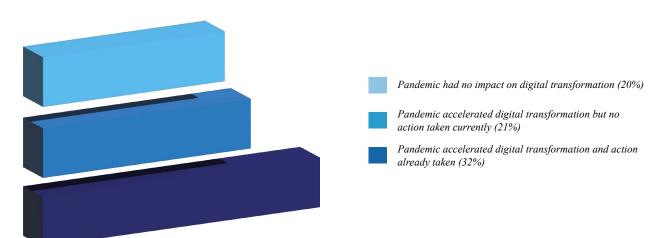


Figure 13: Impact of the pandemic on acceleration of UK field service organisations in terms of digital transformation programs



significantly behind the global average in terms of seeing customer success as having greater importance with slightly over half (53%) stating this to be the case. In terms of customer expectations to offer digital solutions, while the gap between UK companies and the global response group was less pronounced, it does still exist with 73% of UK companies stating this to be the case for them.

As with earlier trends, however, while the UK responses are less dramatic than those that emerged within the global data, the fundamental findings of the initial report still largely ring true. However, as we look towards what is driving digital transformation amongst field service companies, these differences do appear to indicate the companies represented in the UK-only study have differing priorities to those in the global study.

As we wrote in the first report, given these findings within that study data, it was of little wonder that we see improving customer experience as the single most crucial area of development field service companies are seeking within their digital transformation projects. Indeed, just under half of all respondents (48%) in that study stated this to be the case, although this was closely followed by operational efficiency, which 43% of companies cited. (Fig 14. below). Only 9% of companies said that their primary area of focus was driving asset productivity.

However, as we look at the UK data, there is a clear difference in approach. Amongst the UK respondents, 58% of field service companies within the study stated that operational efficiency was the key driver for their business compared to just 28% who cited improving customer experience. This of course aligns well with the above findings that show the significant difference in the two response groups regarding the increasing importance of customer success.

The final indicator of how the pandemic has accelerated digital transformation that we reviewed in our first report was centred around the expectations of results when implementing a new system or technology.

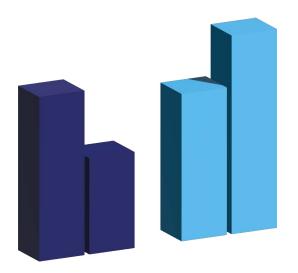
Out of necessity, many field service companies reduced the administration and red tape layers around the implementation of service offerings throughout the pandemic. The study's findings would seem to indicate that this understanding of how quickly such projects can yield results has shifted as a result.

Indeed, most field service companies within the global study (42%) believe they should be able to see results from the implementation of technology within just six months. A similar amount of field service companies (41%) stated that the expected time frame was twelve months. In this regard, the UK data again fell in line with the global findings with 34% stating they expected to see results of new technology implementation within six months and 42% stating they expected to see improvements within a twelve-month period. Such time frames are considerably lower than one might expect, and this would certainly appear to be a result of the acceleration of digital transformation projects that the pandemic has introduced.

However, it should also be noted that this is not a static moment in time. Not only is our industry rapidly evolving but so too is the speed at which tools and apps that can support such transformation are able to be developed, and ROI on technology investments has been shown to be faster than ever.

As we saw earlier in this report, a quarter of field service companies in the global study and a fifth in the UK study stated that their digital transformation projects had been accelerated. However, they are still in the selection phase to identify the solutions that can serve them now and in the future.

Over two-thirds (69%) of the field service companies within the global study stated that there is a technology they will be implementing within the next twelve months that could improve the customer service they deliver, while in the UK only study over half (52%) stated this was the case.



- Improving customer experience Global 48% UK 28%
- Improving operational efficiency Global 43% UK 58%

Figure 14: Comparative analysis of UK and Global data showing primary drivers for digital transformation projects



Section Seven: Reactive, Proactive, Advanced and the Future of the Field Workforce

Within the global report, we saw several key trends emerge from the study. The global data showed that we have reached a point where much of the industry has a reasonable maturity in terms of technology adoption related to field service operations:

- We saw the importance of customer service within the top-line growth strategies of field service companies.
- We saw how the focus on digital transformation is aimed at driving improvements in customer service standards.
- We saw how the pandemic has significantly accelerated that digital transformation.

Now as we look at the comparative data from the UK only study, we have seen that:

- The importance of customer service within the top-line growth strategies appears universal across regions.
- Within the UK operational efficiency is a greater driver for digital transformation than customer service standards.
- The acceleration of digital transformation since the pandemic again is largely universal across regions.

Indeed, while there are some significant differences in specific areas of the findings of the two studies, the meta-trends do appear to remain across

geographies. In our first report, we suggested that the findings of the global study indicated that the field service sector is ready to drive forward with the other key trend that we have seen companies develop across the last decade within our industry. A shift from traditional reactive break-fix approach, to service delivery through to a more sophisticated servitized approach.

Does this hold true of the UK response group as well?

In the final part of our study, we focused on understanding whether we are beginning to see that shift occur. To begin, we wanted to understand how far we have come along the reactive to proactive spectrum as an industry. We asked our respondents to identify on a sliding scale whether their service was predominantly reactive or proactive.

The results from the global study to this question showed an industry very much in a moment of flux as the response across all respondents was 50/50 split between the two. Amongst our UK respondents, however, there was a slight leaning towards reactive service with 38% of field service companies in the study stating they are more pro-active than reactive. (Fig 15 below)

A similar trend was uncovered in the next question as well. In our reporting on the global study we saw a further indication of the shift towards advanced services. We asked our respondents if they offered any advanced services (i.e.

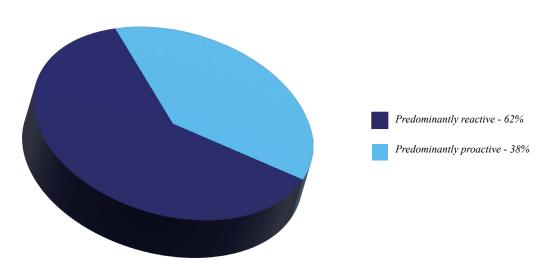


Figure 15: UK responses to the question - is the service you deliver predominantly reactive or proactive?



servitization or outcome-based services) within their service portfolio.

Here we saw that nearly two-thirds (58%) of field service companies did have some form of advanced service offering within their service portfolio. Once again, the companies within the UK group were slightly less advanced with only 42% stating they had advanced services within their portfolio.

One observation that was made in the original report which is further emphasised by the UK data is that an advanced services offering does not necessarily mean abandoning your existing service models. As we have seen across this study, the importance of understanding customer needs and wants is increasingly at the heart of modern field service strategies.

Indeed, as we delved further into how those companies with a servitized offering approached introducing this into their service portfolio, this observation was further borne out. While 51% of the field service companies within the global study had introduced such an offering as part of an internal strategy, 49% of companies had done so either in partnership and co-creation with their customers or their customers' direct requests.

Here the UK findings were once again remarkably close to those we saw in the global study with 48% of companies introducing the offering as part of an internal strategy. (fig 16 below)

What is interesting, however, is that while over a third (34%) of UK companies developed such strategies as part of a co-creation program with their customers, almost a fifth of those UK companies with an advanced service offering introduced them at the request of their customers, something that

wasn't seen at all within the global study.

Finally, the other shift that aligns with this rapidly changing dynamic within the field service sector is the changing workforce models. The use of third-party workforces is becoming increasingly widespread. When correctly used, the blended workforce (a mix of internal and third-party field workers) has benefits closely aligned with the dual benefits of increasing customer satisfaction, while reducing cost within field service operations also shown to be being driven by digital transformation. Within this area, we asked our respondents to identify the mix on average between internal and third-party workers within their field workforce.

Across the entire response set from the original global study, the average blend of field workforce was 36% third party. Additionally, almost all external workers (87%) were from subcontractor firms. However, there are the seeds of the use of the gig economy being employed within field service roles as 12% of companies that use third party labour also hire from this pool.

However, this is an area in which the UK field service companies appear to be further forward. In total 45% of field workers within those companies represented within the study were third party workers. Additionally, the gig economy also seems further advanced in the UK with individual freelance workers making up nearly a fifth (18%) of third party workers.

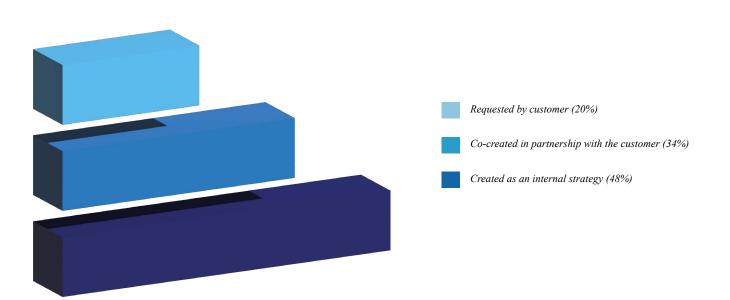


Figure 16: UK responses to those respondents that have introduced a layer of advanced service offering - What was the driver for developing a servitized element within your portfolio?





Conclusions: Seven Key Takeaways when comparing the UK to the rest of the world

Having compared the data from these two separate studies we can now make the following conclusions:

- Many of the trends we have seen in the original report on the global study have been reinforced by the UK data. In particular, the importance of customer service metrics as indicators of strong operational performance and retaining existing business. However, amongst UK companies there is less of a pronounced belief that strong customer service metrics are an indicator of winning new business
- In terms of monitoring CSAT metrics, there appears to be greater use of automated/digital collection
 of data amongst UK field service companies. In particular, UK companies are ahead of the curve
 in terms of social media monitoring and prefer electronic means of collecting feedback from
 customers.
- 3. In terms of technology adoption, there appears to be a concerted effort to both give customers more control and easier access to arranging service calls and providing them greater visibility and this appears more pronounced amongst UK field service organisations.
- 4. While both studies indicate a prevalence of underlying technologies in place within field service organisations, the UK study suggests that UK based field service organisations are slightly less developed on the whole. However, further study of this data suggests this could be the result of the UK previously had been at a more mature point on the adoption curve prior to the pandemic.
- 5. This assessment would appear to be backed up by the fact that in terms of accelerated digital transformation, UK companies are less likely to have accelerated digital transformation plans since the pandemic but more likely to have already been on the path towards digital transformation prior to the pandemic.
- In terms of reactive to proactive service delivery, the UK is slightly more reactive than the global data set. Similarly, UK companies are slightly less likely to have implemented an advanced services strategy than those companies within the global data set.
- 7. However, amongst those UK companies that have introduced a layer of servitization, there is a significantly greater number who have done so at the request of their customers. This would suggest that the UK market is more primed than the wider global markets for the adoption of servitized business models.



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