

FIELD SERVICE NEWS  
think tank sessions

**Executive Briefing:  
Do we need to redefine  
field service completely?**

Session Partner:

**servicenow**<sup>TM</sup>

# Introduction

*The Field Service News Think Tank Sessions are a unique project where we bring together an intimate group of senior field service management professionals and pick apart some of the pressing issues facing the global field service industry across a days worth of detailed discussion and debate. The topics are varied, in-depth and full of insight and Field Service News is proud to facilitate these sessions and share with our audience the learnings from these collaborations - which we present to you verbatim to ensure the insight from each panel of industry leaders comes to you undiluted and in its essential form...*

In this ThinkTank session, the topic is part of an ongoing theme that Field Service News have been exploring across the second half of 2022- do we need to redefine field service completely?

So much has changed since the pandemic and the lockdowns that came with it. For a start, we saw an explosion in digital transformation. While it is true that many digital transformation projects were well underway before 2020, the disruption of the pandemic brought an urgency with it that meant those projects that had already begun were put on turbo-boosters while those who had yet to initiate their digital transformation scrambled to catch up as swiftly as possible.

Of course, one of the most prevalent shifts was the embrace of remote service delivery. In times of lockdown, remote service became an essential mechanism for delivering zero-touch service that met the new and stringent bio-security arrangements that allowed businesses to continue operating in uncertain times.

Another critical facet of the pandemic was the massive disruption to global supply chains. The cost efficiency of globalisation was soon replaced as the frailty of centralised supply chains was laid bare in the light of borders crashing down, and so many organisations have had to rethink their service supply chain altogether.

Servitization is another aspect of the field service world that had been gaining considerable momentum before the pandemic. While at first glance, we might have anticipated the pandemic slowing the pace of advanced service strategy design, a recent study by FSN Research showed that that momentum has also continued at pace.

With so much change happening in such a short time, what does this mean for the future of field service? With remote service being expected, what skills should we be looking for in our future service engineers, and can we still find them in a rapidly diminishing pool of talent? With our customers facing the impact of the long-tail economic fallout, where will their expectations lie, and where will they see value in the services we offer? How can we ensure the future service supply chain is robust enough to overcome future disruption?

As always with our Tank Sessions, the conversation was varied, challenging and insightful. Here we present some key takeaways- which I'm sure you will find good reflection points for your own organisation.



*Kris Oldland, Founder and Editor-in-Chief, Field Service News*



## FSN Think Tank Session, Online, November '22

In attendance:

Holland Winfield, UKI  
Service Lead, Lenovo

Kevin Herring, Senior  
Advisory Consultant -  
Field Service Management,  
ServiceNow

Thomas Bean, Service  
Manager, AB Graphic  
International

Ged Cranny, Senior  
Consultant, Konica Minolta  
BEU

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

Jan van Veen, Managing  
Director, moreMomentum

# Fresh thinking is needed to overcome a workforce crisis that is sitting across the industry...

One of the biggest challenges almost all field service companies are facing is a workforce shortage. There has been a discussion of an impending ageing workforce crisis in our sector for over a decade. Still, with a wider workforce shortage being accelerated by the disruptive impact of the pandemic, which drove seismic societal change, we are now standing on the precipice and field service companies are feeling the lack of engineers and technicians more acutely than ever...

Holland Winfield, UKI Service Lead, Lenovo.

"It's a huge challenge. However, even more so is the challenge of changing the internal mindset on where to look.

"We have field service engineer headcount issues, front desk, escalation, if you name it, there is a challenge with the workforce- and it's the same for everybody else. It doesn't matter what region of UK work we're engaged in, and speaking to other service leaders, it doesn't matter what industry you are in; there is a headcount issue.

"On the internal issue, another factor is the engineers now understand that they're empowered not just to need to fix systems in the field, but they can also do things remotely- so they can sit at a desk, they don't have to be moving around all day, and as a result of that, we're also losing headcount to ourselves, which is something we've never actually done. The problem is when I talked to other support teams to try to find that additional headcount, they're seeing the same things- they're getting their external engineers poached by their internal IT.

"If we don't expand the pool, everyone is just pillaging the same people back and forth- which is great from an engineers perspective, because it just drives up their pay, but ultimately, it is unsustainable for service organisations."

Kevin Herring, Senior Advisory Consultant - Field Service Management, ServiceNow

"This was a common theme when we were speaking to when we hosted this discussion at the Field Service Symposium where we are seeing almost an arms race of pay increases where you've got lots of competing companies basically just poaching employees off and off each other. So much of the discussion was around how we can make the pool of candidates bigger and where we can look outside of the traditional pool of candidates so that we are not just accelerating this vicious cycle.

"One of the companies at the event had taken the really left-field idea of looking for people who are looking for flexible working, and they had had considerable success recruiting part-time technicians on Mum's Net. That approach might not work in every service operation, of course, but it indicates how we, as an industry, need to think beyond the usual parameters.

"The big question is 'how do field service companies make their day more flexible, more versatile, so they can broaden the pool of potential recruits?'"

### Thomas Bean, Service Manager, AB Graphic International

"We are a global service department, so our field engineers do a lot of international travel, but a lot of the guys that were habitual travellers, in the case of one recent example of an engineer now in his fifties who has been working with us and travelling since he was sixteen years old who has just come to me and request requested a reduction in global travel to the UK and never wants to be away on the weekend again.

"So not only are we losing people through retirement, but because we are also seeing a trend amongst our more senior engineers that they are less keen to travel so far and so frequently so we're also having to contend with people stepping down within the organisation."

### Ged Cranny, Senior Consultant, Konica Minolta BEU

"I think I can mirror some of Holland's issues where the IT desks many years ago suddenly saw the value of the field service engineers and cherry-picked the best- and that's the really, really hard thing to deal with was they cherry pick the best talent from the field service team.

"However, we learned and now utilise that issue to our advantage. About a decade ago, we started looking at our attrition rates and decided, as a business unit, what a good attrition rate was for the business. We talked to people outside our own teams as well as our own HR people. For the first time, we spoke about attrition rates pragmatically, whereas previously, the level of discussion was generally 'if someone was leaving, how was a sad thing'.

"It was at this point that we, as the service unit, decided that creating this chain was useful. We realised that if we were feeding the rest of the business, then in the long-term, this could actually be a great way of securing extra headcount for our part of the business. Essentially, we were able to turn around to the senior people in the business and show them how we were fueling the company, to demonstrate how we were able to bring people in at the trainee level and accelerate their progression through the business faster than people had ever achieved in the past.

"So while it may have been counter-intuitive to begin, we eventually reached a position where we were actually happy for other departments to poach our engineers as it continuously re-enforced our position as the key starting point of the employment chain."

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

"What is interesting about the process Ged is describing and which is something that is consistently coming to the fore in many conversations I'm having at the moment, is it is all about taking a step back from the problem, looking at it from different angles and then being to reframe the issue so what is a weakness, can ultimately become a strength.

"In this instance, it is essentially reframing the challenge of internal poaching of engineers as a proof of concept of field service as the entry point to the business that then opens up multiple different pathways across the business. We know both from the data of multiple studies, and I'm sure each of us anecdotally will recognise that a big difference in the workforce that we see as a result of generational change is that in the past, field service could be seen as a solid, and reasonably linear career option- which was attractive for a generation for whom the concept of a job for life was seen as something highly desirable.

"The incoming generation(s) have a far more transitory nature when it comes to a career journey, and I could see how field service as an entry point to multiple career pathways which may be more appealing to this new demographic entering the workforce and how in turn this could benefit the organisation as a whole, but also, of course, the field service organisation.

"What is interesting is that in both this and in the example Kevin referenced of the company finding technicians through an ad campaign on Mum's Net, in both instances, the shift in thinking has been moving from looking at the situation with a different lens and in doing so making the roles more attractive to a wider pool of talent. How that looks will vary from company to company, but the essential idea of stepping back and looking at it from other perspectives is something that I think will be vital for all of us as we try and overcome what is a hugely prevalent issue."

# We need to build a pathway for development and make field service attractive to younger engineers...

With the pool of field service engineers and technicians shrinking at an alarming rate, the onus falls onto service organisations to build new pools of talent to work with. However, this is easier said than done. Establishing a clear yet often varied pathway to progression that is more suited to the younger generation entering the workforce and making field service an attractive proposition outside of the traditional demographics is an essential task...

Ged Cranny, Senior Consultant, Konica Minolta BEU

"When we are employing the people, we cannot just be thinking about the service department.

"We need to be thinking about the technical sales that are coming; we should be thinking about the recruitment side of the business, about the billing side of the business. Ultimately, if we teach our people properly, then we can 'infect' the business in a positive way. We stick a positive virus in the business that can spread across the whole organisation.

"You give a career path to people, you start talking about what other options people have, and it makes the recruitment a slightly more straightforward process from the beginning. However, to achieve this, you've got to have a more open relationship with the rest of the business. Still, it is possible to build these pathways, and at some point after doing so, your people will develop a sense of belief and trust that if they're good enough, something will happen positively in their careers.

"Then you can drive people forward in different directions- and plenty of times, we funded the actual crossover training and service for the people- because we see it as good for us to be an initial stepping stone in the process as it helps with our headcount."

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

"I've just finished editing a great interview with the National Service Manager for Whirlpool in the UK, and there were some great points raised in that discussion about how they have tried to overcome this issue of a workforce shortage.

"As was stated in that conversation, if the resource isn't there, you cannot recruit it. So their approach has been to go out and build a new talent pool of field technicians. One of the exciting things that leapt out for me was the statement, 'we realised we could no longer hire for aptitude and had to start hiring for aptitude'.

"I think that is a realisation that a lot of field service organisations have yet to make, but they will have to do so, if they are to avoid getting into a very challenging situation in the not too distant future."

## Thomas Bean, Service Manager, AB Graphic International

“We’ve been employing quite heavily, so we’ve got quite a lot of new people working for us.

“We’re fortunate that we have a manufacturing department, and I work out of headquarters for a large manufacturing company, so we can actually move people into manufacturing, so they stay within the organisation- whether that is design, technical sales etc.

“However, it is a two-way street as we have apprentices and younger people who work on our factory floor who want a shot at the travelling life.

“One thing we are finding is that with the new generations of people coming through millennials, etc., they favour a work-life balance over money. So they’re interested in travelling, but only one week a month, for example- so they want a bit of a mix in their working lives. In the past, we’ve always had a hard no to that. Our approach has been if you don’t travel, all the time you don’t travel. However, we’ve realised we need to relax the rules and become much more flexible.

“So we actually we are now exploring and trialling opportunities for people within the organisation, for example, they may work on the shop floor as a fitter, or an electrician, or they might work in our office as a technical advisor and using them as an additional resource on a rotation of casual field service engineering. It gives them a taste of travel and a break from their day-to-day role and helps us in the service department with our headcount.”

## Jan van Veen, Managing Director, moreMomentum

“I think a lot of things are changing significantly, and we are only seeing the first signs of that change.

“My belief here is that we can learn a lot from the advanced commercial strategies where you really think of the value proposition. Today, the employee value proposition is becoming more and more of a topic in companies that are more mature in their approach to recruitment. In essence, it understands what are your target groups expecting? What are their needs? What makes them tick?

“You have to do your research. If you are trying to attract more women in field service roles or if you want to attract youngsters to see a career in field service as a valid alternative to higher education, then we old males of forty or fifty, we think we may know the answers. Still, the reality is we probably don’t. Therefore, we have to do proper research there, just like we would do with customer research.

“We also have to ensure that the work we develop on employee brand is really visible- we have to highlight how interesting it is to work in service for our companies, and again, establish a value proposition which is attractive to those we want to see enter our workforce.

“It is not just a case of recruiting the right people; it’s also building the right people. You must provide new recruits with proper education, build the competencies, and explore how best to get them productive in the very early stage of that development. Then, ensure you retain them instead of losing them once they become productive.

“One other point is that we must understand that operating models are changing. We are seeing something of a de-skilling in the field- partly driven by some of the advanced digital technologies for troubleshooting and decision-making now available. So we as service leaders should step back a moment and assess the future skills you need five years from now and start recruiting those people because otherwise, you’re just building an ongoing problem, you’re just pushing the snow pile ahead of you.

“I think these are all three very critical elements in overcoming this situation.”

# Will the field service engineers and technicians of the future have a different skill-set of those we employ today?

What will a successful field service engineer look like five years from now? Will they have less technical expertise as we can provide them with layers of support and knowledge through technology? Or should we go the other way and ensure our in-house engineers have the best technical expertise in the market and amplify that as a USP in a world where we are likely to see an increasing number of third-party technicians? How powerful in a world of digitalisation will the face-to-face interaction that a field service opportunity presents become, and does it drive the need for excellent people skills in our field workers?

Jan van Veen, Managing Director, moreMomentum

"I imagine a scenario where many organisations developing advanced services will have to upskill their engineers or customer-facing employees. Yet, on the other hand, I also see how digitalization may result in the de-skilling of much of the type of work undertaken by humans- which is something we have seen in other industries.

"I think that is always the balance that must be considered in these disruptive changes.

"So you either have some alternative roles, which still keeps a certain level in the field, perhaps simultaneously working in another area and on other activities. However, if that doesn't happen, then I'm not sure if the role of the field service engineer as a trusted advisor is easily replaced- it may be that the type of role and importance of the engineer on site is not that relevant to being trusted adviser in the future.

"For example, in telecoms, the field technician will get an instruction, such as 'you have to respond this component to this component and run through this test protocol. No troubleshooting on site and possibly that person doesn't even meet a customer. So in that scenario, then perhaps it makes more sense to organise your trusted advisors more with remote specialist roles?"

Thomas Bean, Service Manager, AB Graphic International

"In our organisation, we have remote technical advisors. We have an extensive product range, so the approach we have taken with the remote technical advisors is that they are each specialists in their engineering fields who can advise our on-site engineers where required.

"This means that the field service engineers, essentially just need to know how to use the tools, and our remote technical advisors are then able to give them the deep subject matter expertise as and when they need it, wherever they are in the world."

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

“One thing I have been trying to square in my mind around where we want our most experienced technicians in a world where remote service is becoming more and more prevalent is what happens when it goes wrong?”

“I understand the benefit of having our most experienced engineers working remotely so they can offer guidance and support far more customers. However, if we look at one potential scenario, let’s say an organisation has a process for service triage where the customer log-in to a self-service portal and runs through an initial triage with a chatbot that helps diagnose the issue and offers some self-service tips. If these fail to provide a resolution, the customer is connected to a remote service solution, and the remote guidance expert is unable to troubleshoot the issue, so we still don’t have a resolution.

“At this point, perhaps after an escalation to a further remote expert, an on-site engineer would be dispatched if the issue remains unresolved. I think there is a compelling argument here that the engineer dispatched to the customer’s site is where we need someone with deep subject matter expertise because, at this point, the customer is facing three or four touch points that failed service.

“At this point, it feels like we need the traditional field service engineer, the one with a cape on their back, to fly in and fix the problem to keep the customer onside. So there’s that element which, on the surface, suggests that there is a case to be made for having subject matter expertise remain in the field.

“However, the numbers would suggest that those those roles would be few and far between and perhaps so would be such scenarios, so perhaps it is too much of a cautious approach for a problem that will naturally disappear as field service evolves?”

## Holland Winfield, UKI Service Lead, Lenovo.

“It seems almost inherent in the human psyche that we need face-to-face interaction.

“With the advent of every new technology, the fear is always humans made obsolete in the service process. However, no matter what it is, at every new introduction of technology, we find a way of putting that human back into the relationship. Therefore, if sales can sell a human engagement, whether that is as an upsell, or a standard inclusion that helps them differentiate, they always figure out a way to do it.”

## Kevin Herring, Senior Advisory Consultant - Field Service Management, ServiceNow

“One big part of this discussion is often centred around predictive maintenance, and I think that while there is undoubtedly a lot that can be done in this area to bring in assisted elements within the triage process as well as on-site or remote service delivery, I don’t think we’ll ever replace the human insight required.

“We can absolutely narrow down the field of what to look for based on data points such as usage or time etc, and help the engineer or technician by providing a starting point for their efforts- but I don’t think it will ever replace human expertise as the data volumes we generally see in most field service situations are not just large enough to provide fully predictive tools with the accuracy that would be required.”



# Will the ongoing digitalisation of the field service sector lead to a greater importance of on-site field service?

As we move further and further down the line of digital transformation, in-person interactions are becoming less and less frequent. This has been further compounded by the much wider adoption of remote service in our industry, the benefits of which have now been accepted by both service providers and customers. However, one of the often cited benefits of the on-site service call is that the customer has direct and in-person access to a subject matter expert and trusted advisor - again, something of benefit to both the service provider and the customer. Is this something that we may be putting at risk as we continue to digitalise field service?

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

“One thing that I believe we will begin to see emerge here, which we have touched on a little bit already in this discussion, is in a world of increasing digitalisation, in-person human-to-human interactions will be less frequent, yet we all inherently know that such interactions play a significant role in building meaningful relationships and establishing trust between organisations.

“So if an organisation has moved down a path where remote connection is the primary means of delivering service and maintenance, and so the majority of service points become digital, to refer back to Holland’s observation earlier, I think there’s a massive value in having a role that potentially combines some preventative maintenance with an audit of assets on site, I see that as potentially being a massively important role in the future of service operations.

“The way I see it is somebody coming into the factory floor in, say, a manufacturing environment, spending time with the assets to ensure everything is fully optimised and then spending time with the customer to talk them through the work that has been done both on-site but also perhaps other remote updates that may be less visible to the customer, and advising them of potential opportunities for future improvements or raising awareness of issues that may not be urgent today but will need to be resolved in a specific timeframe.

“To do that, we will need someone with the technical expertise, but also someone who can shine in that ambassadorial role.

“The benefit to the customer for such an approach is going to be significant, but the benefit to the service provider, of still having experienced eyes and ears on site, who is trusted by the customer is beneficial in so many different ways also. I have seen that approach adopted in certain organisations but not too often- but I do truly believe that as site visits become less frequent for engineers and technicians, this type of role will become more frequent- where account management, customer success, service and sales all come together in one customer interaction.”

## Jan van Veen, Managing Director, moreMomentum

“When thinking about how roles may evolve in the future, you must disconnect that from the current activities that may become less complex and look at other values you can bring to your relationship with the customer.

“For example, we are assuming that on-site maintenance requires an expert to undertake that role because this is where the complexity lies. However, as we start to see things like the ‘design for service’ initiatives developing pace, perhaps in the future, we don’t need an expert on-site to do that maintenance and fixing. Perhaps, the complexity of fixing is already taken care of somewhere else within the cycle?

“However, we then need to start adding some other value to the customer, which is via human interaction.

“So perhaps that is not centred around the maintenance, but instead solving complex issues about optimising the whole process, or maybe reducing energy consumption etc. So that human interface is going to shift to other kinds of values I believe if we are to assume that we will indeed see that impact of digitalisation in simplifying the work going within different industries. At the moment, some industries are already very swiftly seeing the start of such changes, while in others, we may see a much slower uptake.”

## Ged Cranny, Senior Consultant, Konica Minolta BEU

“What is being described here is a service delivery manager.

“That’s where you take your people, look at the data you’re acquiring from the system, take on board feedback and input from the customer, and then go back to the customer with solid and practical advice. For example, perhaps we have, say, seven hundred machines across a customer’s install base and maybe twenty per cent of them are not making the life they need to do, and perhaps others are doing two hundred per cent of the expected life.

“So going in and optimising that situation, moving machines about for the customer and saying to them, we’re going to optimise your fleet, so you get the best output for what you’re using. In the old days, most service companies would have just sold a new set of assets or machines. Still, for the organisations that see the importance of demonstrating ongoing value through the service operation, then that approach has changed.

“We made that change a long-time ago, and what is being described around the table today and where I can see that mirrored in my organisation is a service delivery manager.

“All the things we designed for service, which was to monitor the switches and how the machines work, also tell us when the machines are working. That means our Service Delivery Managers could advise our customers about their usage, for example, ‘you’ve got your machines on twenty-four hours a day, but you’re only working with them for forty minutes. Why are you doing that? You could turn these machines off and save money this year.’

“If the engineer for example, turns on the power saving, we often then get a complaint from the customer shortly after, where they have had to wait twenty seconds for the machine to warm up. Service delivery managers can bring the full picture to life for the customer. They can feed the data into a spreadsheet and show a customer the electricity used when the machines sat there idle and explain that seventy or eighty per cent of what the energy they’re using electricity in our machines is actually when it’s idle- so the engineer who put that power saver on for you has actually saved you x amount of money.”

# Is the inherent value a field service engineer brings to an organisation likely to change as service thinking evolves?

There is much talk in the industry about de-skilling the field worker and centralising subject matter expertise. However, there are also compelling arguments to be made that the deep-level knowledge of an engineer could be one distinct means of differentiation between a service organisation and their competitors. Technology is shaping this discussion significantly, as field service companies can develop new approaches to service thinking with modern systems and tools. However, while technology is an enabler, we mustn't lose sight of the strategic goals of the service organisation...

Ged Cranny, Senior Consultant, Konica Minolta BEU

"What I see as the engineer of the future is smart hands. You've got to start with the factories, and you've got to think about what you want the customer to do and where you can bring value to the customer.

"Nobody buys a product so that they can see the back of your engineer taking that product apart. They buy it for the uptime; they buy it for the output. As service organisations, we tell the customers they will have downtime, and we tell them that their products won't be available.

"Ultimately, as a sector, we sell failure because we sell the engineering side because that's where we can drive revenue. That's where our sales forces are designed to put doubt in the customer's mind so that they buy service contracts from us. We started thinking three or four years ago about this change to remote-as-a-default. We've been in it what I would classify as a SaaS for years because the majority of our money came from points of pennies. Every time somebody pushed the button, we got points of a penny for those clicks, which added to a lot of annuity for the business.

"Essentially, in the late 90s and early 2000s, we decided that this was opening the door for the business; the sales didn't open the door for the company, the service did. So we got to the point where our marketplace is suddenly shrinking because we are selling against ourselves. The answer is that we can make another ten or fifteen per cent if we put the specialist on the remote desks if we design the product to facilitate easy customer intervention. Then, what we are using our engineers for is smart hands.

"Then when it comes to a real technical problem, like that described earlier in today's discussion, we can take one of our people off your desks, and he either turns smart hands with the visualisation tools into an even cleverer person or he goes to site. However, if the asset is small enough, you pull the unit; if it's too big, you send the engineer.

"But what I'm trying to say is, that's what the smart hands should want to emulate and don't mix up a service delivery manager with an engineer in terms of bringing value because you just won't sell that to your finance director."

## Thomas Bean, Service Manager, AB Graphic International

"It is interesting because while our worlds are quite different, Ged, I suppose your machines would be mass manufactured where as we make 12 to 20 a month, large-scale assets worth between £500,000 to a million pounds per machine. I have been making a lot of notes as you were speaking.

"We don't have a considerable amount of diagnostic software, etc., but I think there are some excellent ideas worth exploring and discussing with our service engineers to see if they have any ideas about what can make the machines more efficient.

"It's also interesting to explore how can bring the customer what we call a 'sixth element'. At the moment, it's not something we're really doing in our organisation as a whole but it is definitely an area I want to be investigating further."

## Kevin Herring, Senior Advisory Consultant - Field Service Management, ServiceNow

"Predictive maintenance is something that we've talked about for a long time in the sector, but the challenge I always think about is that you have to have a lot of data to have a meaningful predictive model.

"The sort of machines you're talking about, Tom, I'm guessing you've got nowhere near the volume of data required. Ged, I think you and I've spoken about this a little bit before, you've got enough where you can start to make some progress, but still, when people talk about machine learning and Google and that sort of thing, they're looking at billions and billions and billions of records.

"Whereas in field service, we're talking about thousands of data points, maybe tens of thousands of data points. So actually on the predictive side, while we can absolutely drive insights from the data it can be difficult to achieve and we should be looking at predictive maintenance as giving trained engineers the best possible insights we can to allow them to identify the issue, rather than being able to totally diagnose the issue without human input and intelligence."

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

"I think that is incredibly valuable insight.

"We've got this holy grail quest to a service nirvana where everything can be more and more predictive and where we can know precisely before the engineer teams on site what an issue is, what parts are needed and so on. Then if we follow that road to its natural conclusion, we end up with significant discussions around designing for service, de-skilling the field techs and even exploring things like courier technicians etc.

"However, from listening to what is being said today, from different sides of the table and starting to understand things in a bit more depth, it's more a case of we can use these technologies more to narrow down the challenges. So when the engineer turns up on site, he still needs that knowledge, whether that's his knowledge or whatever that's supplemented remotely; however we go, it's still required.

"In some instances, it could be providing the customer with the knowledge remotely; in others, it could be augmenting the engineer's knowledge further with diagnostic data and a layer of AI to help make triage faster and more effective, but the knowledge itself remains critical.

"What really sticks out for me, and where I am learning today, is that I've always of seen a fairly linear progression from break-fix to planned preventive maintenance and with fully predictive maintenance as the end goal. However, taking into account today's discussion and on further reflection it sounds like is that fully preventive predictive maintenance is possibly unobtainable, but what we can do is we can get much better at those first two steps by using predictive tools."

# While the strategic goals of field service companies are evolving, so to are the expectations of our customers...

The wealth of digital innovation we are experiencing across all industries, particularly in the field service sector, opens up new ways of thinking and allows us to completely re-invent many processes in our service operations. However, such innovation is also a double-edged sword as customer expectations are rapidly increasing as the lines between business-to-business and business-to-customer service delivery are getting blurred...

Holland Winfield, UKI Service Lead, Lenovo.

"I recently read a study coming out of Harvard that talked about the number one purchasing decision impacting customers today. You would expect it to be what it's always been for the life of the human population, price.

"However, according to customers, across all fields, the number one factor driving their next purchase is no longer price. For the first time in history, it's changed. The expectation coming out of the customers has one hundred per cent changed because it's just become more and more reasonable to expect quicker and quicker resolutions.

"It's reached the point where if you have any downtime with your phone, it's too much. If Netflix lags for five seconds as you're streaming a movie, it's too much. If Amazon doesn't deliver next business day, and you have to wait two business days for the product that you ordered from the other side of the world, it's too much.

"So of course, it naturally follows that this mindset, is going to also apply to every service customers have."

Ged Cranny, Senior Consultant, Konica Minolta BEU

"Customers have that expectation of the consumer market now. Years ago, when I started, the business market dictated what the consumer market did, and then a little company called Apple came along with a tablet and changed the world.

"Now everything's in your hand, everything's expected to happen now. And if it doesn't happen now, then your customer is probably starting to look for somebody else."

## Jan van Veen, Managing Director, moreMomentum

“There are two elements we need to consider when identifying where the customer sees value in the services we provide.

“Firstly, there are the tangible values. What is the problem you’re solving in their business operations by providing and maintaining their assets? This is the one most service organisations are usually able to identify quickly and easily.

“The other element is more of the intangible perception, and in general, we tend to assume a lot, but we ask too little and don’t ask the right questions. So yes, as an industry, we can do a better job in that regard.

“Let’s take an example of the tangible value around remote service. Often this means, ‘I help you to fix your machine’, which means the customer will have to spend time doing so even if a remote technical expert guides them.

“The question is, do your customers want to have that continuously going on after COVID? Now, this, as we have seen in this discussion, is a choice influenced by both the complexity and criticality of the asset. Of course, it also depends on the people’s workload and how expensive they are- and again, internal and external factors are at play.

“I know, for example, in medical laboratories, it is not desirable to have lab specialists to be playing around with instruments to do troubleshooting with somebody on the phone, plus they also have some redundancy in the instruments in terms of required uptime- so they can wait half a day or a day for the engineer to arrive, so that is still where they see the value. They don’t want to be involved in the maintenance of the assets themselves in any way, and the value they see is in that being entirely handled by the service organisation.

“So we have to check and test what remote service means for customers? What should they do as part of a remote service? Is it nothing? Is it quite a lot? Is it critical? Is a risk involved? We have to know.

“We also must be careful with the perception on all sides of our service thinking. If a customer states they expect an engineer on site, we also have to ask why they are saying that. Is that because of this workload of their personnel? Or do they not trust your processes remotely? Perhaps in their eyes, when the engineers are on site, the customer believes they will have more control regarding what’s going on with the records, so they have more trust in a process they can see and touch.

“If that is the case, then maybe you have to update your remote capabilities, so they can start trusting them.

“It is a situation where there are no silver bullet answers other than there are a lot of facets to the situation and we have to research it for what does it look like now and how will that be three years or five years and start developing towards that direction.”

## Ged Cranny, Senior Consultant, Konica Minolta BEU

“Find the piece in your business that customers are afraid of or offers a way of getting into safety. Humans are always either running away from danger or living in safety. So show them the place of safety you bring them and wrap a value around that.

“That value won’t last forever, but as soon as you wrap a value around it, start thinking of the next value proposition you can bring for your product and how you can work your products into the customer’s life. Think about how you are helping your customer’s customers and how you are constantly improving the customer customers experience across that chain.

“If you can do if you can do that, then you can find ways that you bring value to the customer.”

# In a time of cross-industry mass disruption, how do we plan for a future, whose direction is still undecided?

So much has changed in such a short time since the pandemic. Indeed, we were already on a path towards significant industry change, although our progression was undoubtedly accelerated by the events of the last three years. With so much disruption and change often feeling like the only constant, do we need to redefine the time frames we are developing plans for future success?

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

"In business, we always look at the roadmap of where we're going and usually plot out where we want to be in three years and in five years.

"The question I am wondering is if this is accelerated, or perhaps this thinking is now somewhat in flux?

"Are we at a point where there are so many essential things changing simultaneously that we need to be a bit more fluid as we map out our service strategies? Do we need to make the time to understand better what all these things mean- what do we want from our techs in the future? What do our customers want from us as service providers?

"There's just been so much disruption, so much seismic change in such a short amount of time that every aspect of service delivery seems to be going through a sea change. What I am trying to better understand is how does this impact future planning? Does the current scenario make it harder to plan for the future as the future is still somewhat uncertain?"

Holland Winfield, UKI Service Lead, Lenovo.

"For me, it is not so much reducing timeframe, but instead expanding my scope of what else?

"I think if we have to start with a broader field and not find techs, but people who are trainable. If you can change the focus from one to the other, that will be key. It was like somebody mentioned earlier in the call with the moms working for the water filtration companies. Those moms didn't wake up one day and say I want to work for a water filtration company. They woke up and said I have these hours, and I can work. What can I do? Then a water company said I could meet that brief.

"During today's discussion even, it occurred to me that if I can go into the contractor peer-to-peer market and find engineers that are trainable into work specific hours or set hours, I don't need an eight-hour headcount, especially on my peak times, and coming out of this conversation that is something that I just realised I need to be more fluid in my thinking, is I've been looking for an eight headcount, and I don't need an eight headcount, I might need a forty headcount that can do two hours a day.

"If I can scale I don't need the workforce to."

## Kevin Herring, Senior Advisory Consultant - Field Service Management, ServiceNow

"I definitely think there need to be multiple conversations for some customers.

"I'm sure everybody here is what is sometimes called the W6- who, what, where, when, why and then finally how. I remember being introduced to this over twenty years ago, but I think it's still very relevant.

"So for some customers, I use it to help them think about the maturity of where they are today and use this as a tool to help them better understand their situation. Earlier in the discussion, I was talking about field services being a journey and how the first step in that journey is understanding where your field service people are- adding visibility and control.

"Once you know where they are, you can start to make more intelligent decisions about whether they are in the right place. Do they have the right skills? The right parts? You can begin to use that visibility as a decision-making tool, and it is then that you can then optimise and do remote and all of the sort of things that we've talked about today.

"When I'm talking to a customer first for the first time, I will show them a slide that visualises this journey and ask them where they think they are at the moment on that journey. You'd be surprised by the number of customers saying we're still at the start of that journey. Now, this can be for many different reasons. It's not necessarily that they're doing anything wrong; it could be they've grown very quickly, perhaps where they've gone from five engineers to fifty engineers and at some point, they've realised they need to do something about this because they no longer have a firm grasp of where their engineers are.

"I think for those guys, the basics of who, where, is still very relevant. However, equally, you've got some customers, for example, such as Ged at Konica Minolta, who, if I started from that position, then he'd politely kick me out the door very quickly saying thank you, but we were doing that twenty years ago!

"So I think the conversation needs to be tailored to the maturity of the customer, and that is the same whether you are providing a software-based solution, such as myself or manufacturing based, such as Tom, for example.

"You have to adapt very quickly based on your first few sentences almost in the conversation with a prospective customer to understand what their maturity is because otherwise, you risk losing someone very quickly if you don't adapt to their maturity and their level of knowledge and begin the discovery process of where they will see value in your solution from the appropriate starting point.

"There are still surprising numbers of companies I find, who have a lot of resources out in the field, yet still, if you said, 'Do you know, where all of your people are at any given time?' They'll say, 'well, kind of, but I'd have to go and ask so and so and, and she'd ask someone else who would have to check in with someone else etc.

"So there are still a lot of companies, regardless almost of vertical, who still just don't have a good grip on their field service."

## Holland Winfield, UKI Service Lead, Lenovo.

"That's precisely what I've seen many times- having worked in service organisations on three different continents.

"Yes, everybody thinks they have a good understanding of how their field service works until they're asked the question, how does your field service work?"



# Is the cannibalisation of spare parts a threat to service revenue or is it an opportunity to rethink the service supply chain?

Spare parts revenue is undeniably a significant element within the service P&L and has been for a long time. However, despite being a mainstay of service division profitability, spare parts revenue is at risk on multiple fronts. The move to servitization requires the cannibalisation of such revenue. At the same time, if the pandemic taught one thing, we can no longer rely on centralised global distribution centres that allow for greater profitability in the service supply chain to be robust enough or adaptable enough to overcome such disruptive change. The importance of spare parts to service revenue leaves some big questions that need addressing...

Thomas Bean, Service Manager, AB Graphic International

"Typically, our revenue from spare parts is about 3% of our business each year. However, as many of the jobs we do with warranty are included in the sale of a machine, when we look at chargeable service minus the warranty, spare parts are very important for us.

"We are now looking at selling a lot more service and maintenance contracts and we have been incentivised to do that when the service maintenance contract comes in by improving our upselling process regarding spare parts. The problem we've had was at the same time we were asked to focus on selling maintenance contracts. The global supply issue hit us, so it was very unfortunate timing, but it is stabilising now and is a continued area of focus."

Jan van Veen, Managing Director, moreMomentum

"The common picture is that service revenue tends to be between twenty and fifty per cent of the total revenue. Within that often, spare parts are around seventy to eighty per cent of that total service revenue is a typical scenario. There are, of course, companies that have a much higher volume of service compared to spare parts, but for most service companies have a very heavy spare parts-dependent service revenue.

"Some service leads that as a struggle, being addicted to spare parts, make it difficult to develop other service offerings because you have an over-reliance on the spare parts business."

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

"I've seen that pushback a lot around the conversation of advanced services and servitization. Companies saying 'no, we can't sacrifice that spare parts revenue.'"

### Jan van Veen, Managing Director, moreMomentum

"I think that the cannibalization discussion is also, in many ways, something of an internally politicised discussion.

"I say this because if you have good service contracts and spare parts are included, you're still going to make those spare parts, and you will still provide them to your customers. It is just the revenue stream, and the pricing model is different. It could be that you're a bit more efficient with spare parts, which drops the spare parts revenue a bit, but that should be balanced by increased service revenue or reductions in costs, perhaps?

"Maybe the bigger threat to spare parts revenue lies in sustainability policies- if it becomes standardised regulation that you're required to offer your customers a refurbished option then what is that going to do to your spare parts revenue?"

### Holland Winfield, UKI Service Lead, Lenovo.

"I think any company that hasn't learned about availability from the last two years won't make it through the next time we have disruption like this. We've extended all the goodwill we have with our customers as far as we couldn't plan for a pandemic. Given the impact on global supply chains, we didn't know how long it would take parts to get in.

"Yet we saw over and then speaking with friends in similar industries they saw the same, the goodwill slowly lapsed over the course of the pandemic.

So if it took us two weeks to fix the computer, the customer was just happy to have the computer fixed for the first year. Then for the next six months, they were annoyed at the delays, and by the end, in the last six months, there's no excuse. We've had two years to fix these issues, so we should be good to go in their eyes.

"With that in mind, we have spent quite a bit of time and an insane amount of money preparing for the next disruptive impact because there is going to be a next one, it's just inevitable at this point, and we're not going to have any goodwill to build on.

"So for spare parts accessibility, we've made investments in field stocking locations, or forward stocking locations, and sustainability so the parts are easier to replace from the customer perspective- these have all been huge initiatives over the last year and a half, to remove the need for field service by making the customer our field service operator if needed, while still not forcing that role without forcing it upon them.

"We can still do the field service role, but they want to they can do it, because we know that if there's another outbreak, they're going to want to be able to do it, even if they aren't going to want to do it now."

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

"Essentially, again, we are coming back to that convenience piece.

"Right now, my convenience is for you to send somebody as I don't have time to fix an asset. I want you to send a qualified technician to whichever location I'm at and make the broken thing work again. That today is the convenience I want, so it is where I see the value. I don't care where the monetary value is; I want convenience and speed of service.

"However, in a lockdown environment, what is convenient for me, so where I perceive value, had suddenly shifted. The value is still centred on convenience, but what is convenient has changed. Now what is convenient for me is for you to tell me how to make the broken thing work again. Give me the parts I need and stay well away from my carefully constructed bio-secure area; get me the parts, show me what to do and take the broken parts away. That's my convenience, and that's where I see value.

"So moving forward, I feel we need to be aware of how quickly that concept of value can change, and be prepared both in terms of supply chain and service delivery to adapt when and where it's needed."

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ServiceNow (NYSE: NOW) is the fastest-growing enterprise cloud software company in the world above \$1 billion.

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