

Field Service Management as a Revenue Generator for Small-to-Medium Sized Businesses



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One of our employees recently walked into a Staples store. Before he even got inside, there was a standing ad outside the door about how they could fix the cracked screen of a phone. Inside, the edge of every aisle had some type of advertisement or announcement of different service options: fixing phones, helping to clean businesses, repair of other products, and general business services.

The above is a micro-study in 'servitization,' which means taking a traditional product offering -- i.e. something you sell -- and creating a revenue stream around the service on that offering.

This has been happening for a little over a decade by now and is transforming field service management in the process. You can thank one of the bigger economic downturns in history for the origin point, in some ways.

Toyota, for example, is considered a leader globally in 'servitization' business models. They've admitted that one of the only ways they survived the 2008 recession was by bundling advanced service packages with their primary offering, i.e. selling cars.

Manufacturing firms in all verticals had traditionally been disconnected from actually providing service -- that usually fell to third-party contractors or agent-based teams whose jobs were totally independent of the sales and product sides of the business.

Previously, a customer would buy a core product, and then the relationship somewhat ended. This customer might buy more of your products, yes, but there was no ongoing relationship around that first purchase. With servitization as a model, a customer buys your product, then continues to work with you on the servicing of that product.

This is logically good business for two reasons:

- You just closed two sales (product + service) as opposed to simply one
- You entered into a long-term relationship with the customer

Servitization, then, is the overall model by which field service management becomes a revenue generator. How can small businesses achieve revenue-generation success with field service management tools and approaches, though?

Here are some core ideas.



1 Mobile above everything else

When you build or scale a business, there are hundreds of decisions to be made on all manner of topics -- and priorities to be set. When thinking about field service in 2016, you first want to design priorities around mobile. There are a few different reasons for this.

First, you will often hear of mobile as a game-changer in many industries. Since dozens of things are called game-changers every year in business, you might think this is hyperbole and toss it out. It's not. There are more mobile devices on the planet than people (or toilets, for that matter), and the rate of mobile production (new devices) is 5 times higher than the rate of human reproduction. Mobile is everywhere -- and, many people conduct their entire lives (personal and professional) within their phones. This is completely true of your customers.

Good customer experience drives revenue growth -- [we've seen that in hundreds of studies](#) -- and good customer experience, at base, is about meeting your customers and clients where they're already at and in the ways they want to interact with you. For many people, this is mobile.

Think about it this way: if your mobile experience is integrated and seamless for a customer, you just leveled the playing field between yourself and an enterprise company. Why would that customer want to navigate an enterprise option -- which probably isn't as customized and has longer wait times for quality service -- if he or she can work with you via a seamless mobile experience?

Mobile levels the business competition playing field for small businesses when done right. And when done right, it increases customer satisfaction -- and that drives revenue.



2 Field service management software

Now here's the second part of the mobile-first mentality. For mobile to work properly for your customers, you need a way to integrate the different aspects of your field service business. By that, we mean:

- 🕒 Scheduling
- 🚚 Dispatch
- 📋 Inventory
- 🔧 Machine maintenance and repair data
- 💰 Customer billing data

If those different aspects are placed in back-office 'silos' or not speaking to one another, the customers' experiences will be disjointed. After one or two times of working with you in that way, they will probably take their business elsewhere. That's certainly not going to help with revenue.

Ultimately what you want is a seamless experience through an app -- that way, the on-site contact at a customer's location can tap his or her phone once (ease of use) and everything he or she needs is in one place, from tracking a technician to approving an invoice. On the flip side, the technician should be able to open an app on his or her phone and know exactly what the problem is, see any customer notes, and make sure he or she has the correct inventory to achieve a first-time fix.

Seamless mobile integration toward good customer experience and revenue starts with FSM software that can tie together different systems.



3 The soft skills of revenue generation

We tend to assign very specific, measurable skills to revenue generation, and that's very good for the most part. Measurement is a key to leveraging data toward business success, and with most companies now trying to compete on some form of data -- including many field service companies -- a focus on measurement is generally a great thing.

However, there are a number of 'soft skills' which factor into small businesses growing revenue with field service. Some examples include:

- ✔ Priority-setting
- 🎯 Goal-setting
- 📊 Alignment of sales and marketing efforts
- 🗣️ Effective communication channels
- 📈 Assignment of KPIs
- 🔄 Reduction in silos

There are dozens more. A small business has inherent challenges in any marketplace because of limited resources, at least when compared to enterprise business equivalents. As a result, small businesses need to maximize their people and processes toward success -- but many fail because instead of doing these things above and trying to get them right, they dive immediately into tasks and projects. That's the wrong approach.

Instead, you need to start thinking along these lines:

- What are our goals?
- What are the KPIs tied to those goals? (or, "How will we know if we're achieving goals?")
- What workflow priorities do we need to set toward these KPIs and goals?
- How are we going to communicate what's actually a priority?
- Who will own what processes?

The idea of 'silos' is hard to remove as a company grows, because we tend to organize businesses -- small and large -- around functional expertise areas, and that's what silos are. But alignment of silos is crucial. Otherwise, all leaders in the organization (people who run those silos) will end up believing what they do is most important, and thus skew their communication back to their teams along those lines. This creates four to five different mini-companies within your small business, and then goal and priority alignment becomes much more challenging.

A topic like 'priority-setting' is hard to put on a spreadsheet and analyze, so businesses sometimes skip that step. But for a small business looking to compete, it's absolutely crucial. If you don't know the goals of your field service operation, how can you drive revenue from it?



4 The Internet of Things and predictive analytics

Sometimes these are a bit far off for small businesses, who have other concerns to address first, but they, too, are game-changers in field service.

Internet of Things, or IoT, refers to connected devices -- so machines are actually generating, and sending, their own data. This is majorly important in field service because it changes the core definition of 'service.' If you're using IoT with clients, the definition changes because previously, 'service' meant "Machine breaks, client calls you." Now 'service' can mean "You're receiving data from the machine, so you know when it needs to receive service and can schedule according to the needs of the client." That's a huge value-add in terms of customer relationship-building and customer service.

Internet of Things ties to the idea of predictive analytics, where machine or device performance data is analyzed to make predictions about service points, upgrades, and more. Essentially, you're taking away analysis work from the clients, freeing them up to run their own businesses day-to-day. Again, it's a major value-add to build relationships and bolster customer experience.

5 Small business advantages

The playing field in field service has been leveled in the past 10-15 years because of tools like digital marketing, e-mail, social media, mobile, and more. Still, we know it can be hard to make decisions and drive priorities from the limited resources of a small business -- and as a result, it can be a challenge to figure out the first and best steps with regard to field service. At Optsy, we work with hundreds of small businesses in many different industries (but all tied to field service management). We can help you understand your specific pain points and design value-add, revenue-driving solutions around them. Reach out when you're ready.

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