Optsy

Worksheet for Calculating
Field Service Software Savings

The Internet has been great (for the most part) for society. The amount of connectivity and information is higher than ever before; it's been said that a 16-year-old girl in Mumbai has the same amount of info in her pocket as a 1972 Fortune 500 CEO had from all his direct reports. That's probably true.

The problem with the rise of the Internet if you run a business, though, is that there are hundreds (thousands?) of people promising you tangible, concrete return on investment (ROI) if you will only buy this thing or that thing. We understand how hard this is, especially if you run a small business. You want to grow -- and often you need the right software or tools to grow -- but you are afraid of spending money on the wrong thing. Money is tighter. Yet, can you afford to miss out on those things that will help to improve your business?

We have put together an eBook to help you understand the ROI and rate of return on field service management (FSM) software. FSM software's primary advantage is that it integrates different aspects (potentially "silos") of your business. In most cases we've seen, this makes a business easier to run and brings costs down and revenues up. But we sell FSM software, so don't take our word for it directly. Rather, allow the numbers to speak for themselves.

We will run through how to use the calculations here. The actual worksheets you need are at the back of this eBook. Keep in mind: There's a point where you just have to jump. We can't give you numbers or promise returns because every business is different. What we can give you, however, is the knowledge necessary to make an educated decision on your investment in FSMsoftware and then the data necessary to keep the FSM software company you go with accountable in delivering the improvements you desire.

Overarching Recommendations

There are two ways to start here.

1. If you've *already* purchased FSM software and want a way to calculate whether it's working, here's what to do:

If available, plug in numbers from a month before you used FSM software to the best of your ability to the final worksheet. This is going to be difficult if you weren't actively recording these values already, but, if you had realized the benefits of FSM software and now you just want to assign a number to those benefits then this is a great route to take.

Once you have some rough estimates, have some technicians fill out the Technician Worksheet for a current month and use that data to plug into the Final Worksheet and calculate results. The Final Worksheet is fairly self-explanatory, but read through the steps below to get some context.

2. If you haven't purchased FSM software yet but you're getting ready to jump, don't get stuck wondering if you're actually benefiting from implementing FSM software. There's no reason for this to be an ambiguous process! The following pages will walk you through how to get a rough estimate on the return you're seeing from your investment. But in short, here's what to do:

Input the data into the Technician Worksheet provided at the back of this eBook for one month.

Choose an FSMsoftware to implement. Contact us and we can chat to see if we have the right FSMsoftware for you. We also have an eBook you can read at your own leisure about choosing the right FSM software for you and your business.

Once the software has been installed and your team is trained, have your technicians fill out the Technician Worksheet again and compare the results using the Final Worksheet.

That's a big-picture, vague way of summarizing what you need to do. Check out the 7-step process below to really understand what you need to do to see if FSM software is paying off.

Step 1: Determine your required rate of return

You're required rate of return is a crucial metric if you want to start seeing the real cost of investing in your field service business. Although you may know your ROI for a particular investment, required rate of return takes it a step further and also considers the fact that when you spent money on, say,FSM software, you could have spent that money on something else. So, if you're going to spend money, you want to make sure you're making at least a certain amount back. That "certain amount back" is your required rate of return. Required rate of return normally takes into account the time value of money as well, but we could write a whole eBook on that matter. If you're just estimating your savings over the span of a few months, then time value shouldn't play too huge of a part in your calculations. Try and keep things simple when you can.

You can base your rate of return off of previous years and benchmark data, or you can set it yourself. A good number for field service small businesses is around 12-22%. If you want some help setting it up you can contact us, but your accountant is probably a better bet. We've heard before from customers that they don't care what percentage they're making back as long as they're making money. In theory, that sounds great. But in practice, you need to be making a "premium" return for the work you do. Considering you could make 3% quite easily from doing nothing, you should hope to make significantly more than that for working every day and taking on the risk of running a business. You can view this number as your growth (compound annual growth rate, or CAGR, if you will), or simply a required (necessary) rate of return to keep everything running smoothly and justify the time you have spent. Time is money, after all.

Step 2: Determine who will track these metrics

You need responsible people in place that understand (a) your business, (b) finances and accounting, and (c) how the different aspects of your business contribute to overall revenues.

- The core people involved are going to be:

1. Technicians

Your techs are going to be the boots on the ground, getting the information you need to see if FSM software is actually paying off. Choose a good portion of your technicians to input these metrics, but make sure they will actually record them properly and not just input random numbers at the end of the week. Naturally, this is going to create what is called a "selection bias" and it won't represent your techs as a whole. The techs whom you trust to fill out these worksheets accurately are probably also your higher-performing techs who are already taking actions to be as efficient as possible. Keep a mental note of this and realize that the results they record are probably going to be better than your average tech's results.

2. Manager

If you're reading this, this is probably you. Make sure everything is staying on track and getting done. Stay in close contact with our sales team through the process to make sure you're reaping the full benefits of FSM software, especially if you're not seeing the results you were hoping to see.

3. Finance Team

Somebody needs to crunch some numbers. This may be the job of the manager as well, depending on how large your field service business is. We've provided the Final Worksheet at the back, but if you have a finance team you may opt out of using it and use your own calculations. The Final Worksheet provided is meant to give a general idea of the returns you're seeing but by no means will it be dead on. We've purposely left it conservative to keep the calculations accessible for an already busy manager and, to be quite frank, we've seen "estimated ROI" calculations from some others that are way too aggressive and presumptuous. Let's keep it simple and just remember that there's a human element to consider behind every number.

Step 3a: (if you've already purchased FSM software):

Input a month of data from not using FSM software, then compare and contrast it with a month of data from using FSM software. Try and plug everything into the Final Worksheet in the back to guide your calculations. There are a lot of moving parts and the worksheet will help you stay organized. If you're not using our version of FSM software and think your savings might be greater with us, feel free to reach out. You can use your current month as the initial month before installing our software and compare results then. Skip to Step 7 for details on comparing before and after FSM software.

Step 3b: (if you're not using any FSM software):

You want to make sure that when it comes time to crunch numbers, you have everything you need. Now is the time to be proactive!

There's a Technician Worksheet at the back of the eBook for you to distribute to your team. As mentioned in step 2, make sure to select techs who will be responsible enough to accurately record the data. Have your techs fill out these worksheets for a full month and then collect and total out all of the data. This will represent your starting point. Take a look at the data and try and understand it all. Do these numbers seem high? Low? Input the final results into the Final Worksheet while it's all fresh on your mind and make notes of the "human" elements that may provide some context that numbers can't express. While your techs are filling out the Technician Worksheet over the next month, you have some work to do as well. Calculate and record:

Number of Techs Who Filled Out Worksheets
Total Number of Techs
Percentage of Techs Who Filled Out Worksheets
Average Technician Rate Per Hour
Equipment Depreciation Per Mile
Average Cost Per Gallon of Fuel
Average Service Call Revenue
Industry Relevant Data That Will Influence Results

You'll use this information when calculating the Final Worksheet results. Feel free to break it down into more depth. For example, our software will give you the ability to assign techs of proper skill level to certain jobs. This ensures your high-salary techs aren't doing the work that a low-level seasonal tech can do.

Step 4: Demo the software

Contact our team to demo and explain our software. Our software may not be the best fit for you and your business needs. Let's find out. Schedule a demo and go through some of the features that will have a specific impact on your industry. Come armed with questions about the data you collected and how we can help change those numbers. We may be able to provide some insight on the improvements you'll see, depending on similarities between your business and past clients, but every field service business is different so we won't promise you results that we can't guarantee. Remember, the data you collected will really come in handy after you have installed the software to compare results to.

Step 5: Implement FSM software

If you have gotten to this point, you've already made a decent time investment. It's time to reap the benefits of your proactivity. Get your new field service software up and running and start training your team. Make sure you track how much time is being spent on training because that's a cost you'll need to include. Like we mentioned earlier, time is money. Now how does your proactivity pay off again? It holds the company you decide to purchase your field service software from (hopefully us) accountable, and it helps us get you the results you need for the return you desire. In this step, it's really important to stay in contact with our team to tweak processes to ensure you're utilizing the software to its utmost potential. If you're not fully integrating your FSM software, it's going to be harder to see the return you desire.

Step 6: Adjust to FSM software

Now, it's going to take a little while to get your team trained. Give it a month and allow your team to adjust to the new system. But once everything is up and running, distribute the Technician Worksheets again from step 3b to the same techs for the same amount of time. Continue to stay in contact with our team and make note of any information that may skew the results. Once recorded, input all of the information into the Final Worksheet. Try to include a few savings that aren't on the worksheet, and keep in mind any foreseeable savings. If your team is already seeing increases in efficiency, you're going to save a lot of money in the long run but maybe see minimal savings after only a month or so of implementation. Think big picture.

Step 7: Compare the monthly savings (return) to your monthly required rate of return.

In step 1, odds are you calculated your annual rate of return so you'll need to divide that number by 12. Again, keep in contact with us so that we can work through these results and what they really mean. Each field service business is a little bit different. You have different geographical areas, different customers, different points of service, and different seasonal fluctuations. Note that in your data recordings. Feel free to discuss it with us. We've worked with dozens of small business field service shops and we can run through pros, cons, possible effects, and more.

Shoot us an e-mail or give us a call when you're about to start step 1 and we'll make sure to keep in contact with you throughout the process. Good luck, and we look forward to helping you measure the results of implementing field service software.

Technician Worksheet

Name:

Week:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	TOTAL
Gallons of Fuel Dispensed:								
Miles Per Gallon:								
Number of Service Calls:								
Average Downtime (30 Minute Increments):								
Average Miles Per Order :								
Average Transit Time Per Order :								
Total Miles Driven Per Day:								
Average Time to Complete A Service Order :								
Hours Worked:								
Overtime Hours:								
Billable Hours:								
Total Service Orders Completed:								
Number of Preventable Second Service Calls:								
Notes For Relevant Information That May Skew Results:								

Number of Techs Who Filled Out Worksheet

Total Number of Techs

Percentage of Techs Who Filled Out Worksheet

Average Technician Rate Per Hour

Equipment Depreciation Per Mile

Average Cost Per Gallon of Fuel

Average Service Call Revenue

	Week 1	Week 2	Week 3	Week 4	TOTAL
Average Revenue Per Service Call Before FSM Software					
Average Revenue Per Service Call After FSM Software					

Number of Service Calls Before FSM Software					
Number of Service Calls After FSM Software					
Difference in Number of Service Calls (After-Before)					
Service Call Increase Not Attributed to Seasonality Trend*					
Service Call Increase Not Attributed to Seasonality Trend X Average Service Call Revenue					

Total Miles Driven Before FSM Software:					
Miles Per Service Call Before FSM Software:					
Total Miles Driven After FSM Software:					
Miles Per Service Call After FSM Software:					
Difference of Miles Per Service Call Before FSM Software and After FSM Software:					

Depreciation Cost Per Mile X Difference of Miles Per Service Call Before FSM Software and After FSM Software

Depreciation Cost Per Mile X Difference of Miles Per Service Call Before FSM Software and After FSM Software X Number of Service Calls After FSM Software

Final Worksheet

	Week 1	Week 2	Week 3	Week 4	TOTAL
Average Transit Time Before FSM Software					
Average Transit Time After FSM Software					
Difference of Average Transit Time Before FSM Software and After FSM Software					
Difference of Average Transit Time Before FSM Software and After FSM Software X Average Technician Rate Per Hour					
Difference of Average Transit Time Before FSM Software and After FSM Software X Average Technician Rate Per Hour X Number of Service Calls After FSM Software					
Gallons of Fuel Dispersed Before FSM Software					
Gallons of Fuel Dispersed Per Service Call Before FSM Software					
Gallons of Fuel Dispersed After FSM Software					
Gallons of Fuel Dispersed Per Service Call After FSM Software					
Difference of Fuel Dispersed Per Service Call Before FSM Software and After FSM Software					
Difference of Fuel Dispersed Per Service Call Before FSM Software and After FSM Software X Average Cost Per Gallon of Fuel					
Difference of Fuel Dispersed Per Service Call Before FSM Software and After FSM Software X Average Cost Per Gallon of Fuel X Number of Service Calls After FSM Software					
Average Time to Complete a Service Order Before FSM Software					
Average Time to Complete a Service Order After FSM Software					

	Week 1	Week 2	Week 3	Week 4	TOTAL
Difference of Average Time to Complete a Service Order Before FSM Software and After FSM Software					
Difference of Average Time to Complete a Service Order Before FSM Software and After FSM Software X Average Technician Rate Per Hour					
Difference of Average Time to Complete a Service Order Before FSM Software and After FSM Software X Average Technician Rate Per Hour X Number of Service Calls After FSM Software					
Downtime Before FSM Software					
Downtime After FSM Software**					
Difference of Downtime Before FSM Software and After FSM Software					
Difference of Downtime Before FSM Software and After FSM Software X Average Technician Rate Per Hour					
Difference of Downtime Before FSM Software and After FSM Software X Average Technician Rate Per Hour X Number of Service Calls After FSM Software					
Hours Worked Before FSM Software (Not Including Overtime)					
Hours Worked Before FSM Software (Not Including Overtime) X Average Technician Rate Per Hour					
Overtime Hours Before FSM Software					
Overtime Hours Before FSM Software X Average Technician Overtime Rate					

Final Worksheet

	Week 1	Week 2	Week 3	Week 4	TOTAL
Total Hourly Technician Cost Before FSM Software					
Hours Worked After FSM Software (Not Including Overtime)					
Hours Worked After FSM Software (Not Including Overtime) X Average Technician Rate Per Hour					
Overtime Hours After FSM Software					
Overtime Hours After FSM Software X Average Technician Overtime Rate					
Total Hourly Technician Cost After FSM Software					
Difference of Total Hourly Technician Cost Before FSM Software and After FSM Software					
Total Billable Hours Before FSM Software					
Total Billable Hours After FSM Software***					
Preventable Second Service Calls Before FSM Software					
Preventable Second Service Calls After FSM Software					
Difference of Preventable Second Service Calls Before and After FSM Software					
Difference of Preventable Second Service Calls Before and After FSM Software X Average Cost of Second Service Call					
Savings From Eliminating Other Software Programs					
Savings From Eliminating No Longer Necessary Positions					
Savings From Implementing a Paperless Solution					
Other Savings					

Final Worksheet

	Week 1	Week 2	Week 3	Week 4	TOTAL

List Other Relevant Savings Here

	Week 1	Week 2	Week 3	Week 4	TOTAL
Total Savings****					
Total Savings / Number of Techs Who Filled Out Worksheet					
(Total Savings / Number of Techs Who Filled Out Worksheet) X Total Number of Techs					
Software Cost					
Implementation Cost (Training)					
Other Costs					
Total Cost					
Total Cost/12					

	Week 1	Week 2	Week 3	Week 4	TOTAL
Total Savings / (Total Cost/12)*****					
Annual Required Rate of Return					
Annual Required Rate of Return/12					

If Total Savings/(Total Cost/12) , or your monthly rate of return, is higher than your annual required rate of return/12, your return is greater than your required rate of return and you are doing well. If below, contact our team and we'll figure out why.

* For example, if a percentage of growth from one month to the next can be attributed to seasonality trends, what percentage of growth can be directly tied to FSM Software through SLA agreements, efficiency increases, etc.? If calculated, include in Total Savings. If trend data is not available, assume growth can't be attributed to FSM Software and don't include in Total Savings.

** An increase in downtime can be a positive or a negative, dependent on amount of service orders. If service orders remain constant but downtime increases, this is a sign of increased efficiency. If downtime increases are significant enough, it may provide the opportunity to become structurally more lean.

*** Although we can't quantify savings based on this number without making assumptions, it's important to note and compare. Research industry standards for benchmark.

**** Sum Total of Bolded Lines.

***** This is your estimated monthly rate of return. It will be conservative compared to your actual rate of return, but should suffice for a rough comparison.

For more information, contact us:

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