

Deloitte.
Digital



Charting the Path to NextGen Field Service A Shift towards Profit Center

November 2023



Table of contents

1. An evolving panorama shaped by demanding customers	4
2. Unveiling Key Dimension to Analyze Field Service Dynamics	6
I. Navigating evolving customer expectations in Field Service Management	7
II. Smart Asset Management: A Vital Imperative for Thriving	9
III. Next Generation Workforce: Customer Centric Field Service Agent	11
IV. Driving Operational Excellence	13
V. Compliance as a hidden game-changer	15
3. GenAI Wonders: Exploring Brand New Opportunities	17
4. Beyond the Horizon: Paving the Way for Tomorrow's Success	18
5. Bibliography	19
6. Contact Us	20



By embracing **digital solutions** and meeting customers' willingness to invest in **top-quality service**, businesses are recognizing the potential for **new profits**.

The future of **Field Service** relies on seamlessly blending the indispensable **human touch** with **cutting-edge technologies**. This harmonious integration empowers **emotionally intelligent 'field customer service agents'** to craft a truly **digital customer-centric journey**.

The convergence of **digital solutions** and commitment in delivering **top-quality service** not only elevates **customer experience** to **new heights**, but also unveils new avenues for **profitability** that businesses are eager to explore.

An evolving panorama shaped by demanding customers

Bringing support capabilities directly to the customer's doorstep through Field Service has become a focal point of significant investment across industries. Nowadays, decision makers at various organizations recognize Field Service as the highest priority for their business model (see Illustration 1), and more and more companies are therefore providing their workforce with the ability to operate directly at the customer's location, accessing the same essential information available in the office.

This trend implies a growing adoption of technologies, enabling Field Service teams to operate efficiently thanks to mobile devices and data connectivity. From a customer point of view, these changes ultimately result in enhanced service quality, accessibility, and personalization. Looking at numbers, in 2021 the Field Service Management (FSM) submarket experienced remarkable growth of 16.4%, amounting to nearly \$3.3 billion, establishing itself with an 11.3% share within the broader Customer Service and Support market, as shown in Illustration 2 (Gartner, 2022).

Illustration 1

Organizations Expand Business Impact by Bringing Service to Customer Doorsteps

Industries in which Mobility is the Highest Priority

1. Energy and utilities
2. Professional and business services
3. Life sciences and biotechnology
4. Retail
5. Supply chain and logistics

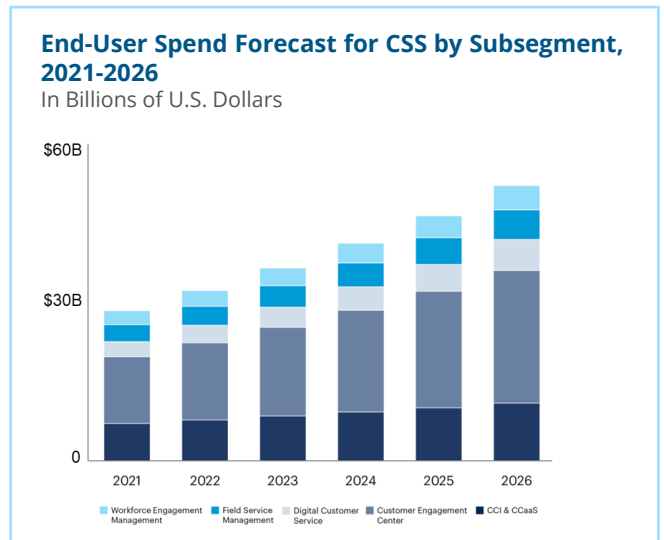
Source: *Salesforce, 2022*

This growth was facilitated by the unexpected impact of the COVID-19 pandemic, which led to the adoption of no-touch and digital technology solutions by Field Service providers (FSPs). These innovations paved the way for new market practices and opened-up fresh cash flow industry to a remarkable growth. In particular, the following technological advancements are

noteworthy:

- Increased usage of AI and machine learning for tasks such as triage, auto dispatching, and optimizing routes while on the go allow companies to provide faster, more efficient, and cost-effective services
- Augmented reality improves technicians' efficiency, minimizing downtime, and enhancing service quality, resulting in reduced service costs
- IoT, and Analytics development to generate more up-selling and cross-selling opportunities
- Generative AI, by harnessing data from connected products, is able to empower customers' self support and allow technicians to solve issues faster and more effectively, leading to increased customer satisfaction and improved brand perception.

Illustration 2



Source: *Gartner, 2022*

Implementing this kind of technological enhancements in Field Service Management may initially seem like a significant investment for some companies. Indeed, the costs associated with adopting new technologies and training employees might be perceived as daunting.

However, it's important to consider that these investments align with customer expectations and preferences. According to *Salesforce's State of the Connected Customer* (2022) report, a substantial 88% of respondents believe that customers are more than willing to pay a premium for a top-notch experience. This suggests that customers value and prioritize excellent services, therefore matching with the increasing investments that company are making to improve their Field Service operations.

As a result, most of the times this switch in Field Service practices allows to scale the business and favors upselling and cross-selling, generating major returns (see Illustration 3).

In this equation, a pivotal role is played by service workers. As a matter of fact, they act as brand ambassadors, directly getting in touch with customers during service delivery. Their interactions have a significant impact on customer satisfaction and loyalty. Indeed, positive customer experiences, facilitated by well-trained and empowered frontline service workers, can lead to increased customer loyalty.

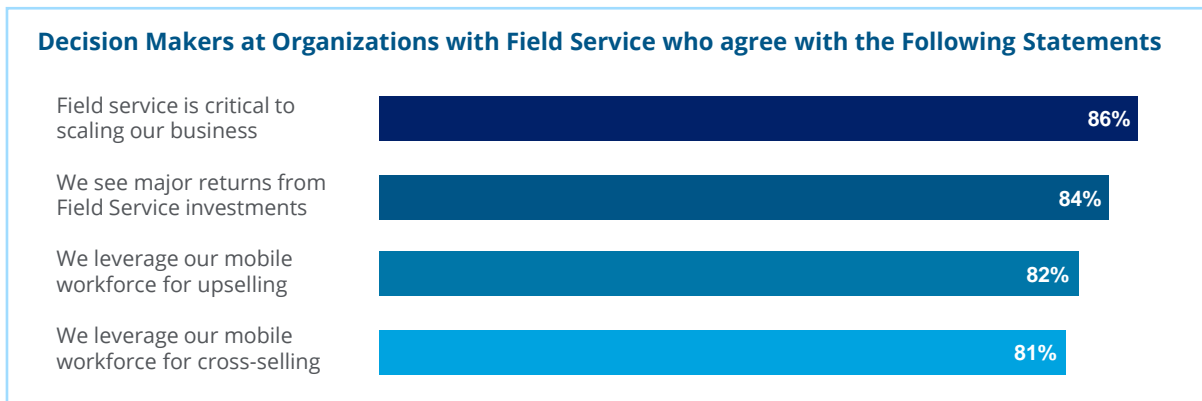
In contrast, offering a mediocre service can lead to severe consequences. Nearly half of customers

(around 48%) have switched brands due to encountering better customer service elsewhere, therefore, highlighting the importance of providing exceptional Field Service experiences to retain customers and prevent them from seeking alternatives.

The significance of an excellent service extends beyond immediate satisfaction: an overwhelming 94% of customers state that a good service encourages them to make repeated purchases (*Salesforce, 2022*). Thus, delivering exceptional Field Service experiences not only fosters loyalty but also increases the likelihood of future business from satisfied customers.

In summary, the Field Service Management market continues to grow significantly due to its strategic importance given the proximity with customers and their evolving expectations. With the increasing adoption of technology and customer-centric approaches, businesses can enhance their Field Service operations and drive a sustainable growth in the competitive CSS market. Key factors that need to be taken into consideration for a successful Field Service Management will be discussed in the next chapters of this paper.

Illustration 3



Source: *Salesforce, 2022*

Unveiling Key Dimensions to Analyze Field Service Dynamics

The future of Field Service lies in nurturing empathetic and knowledgeable technicians while empowering them with data-driven insights. Each interaction becomes an opportunity to elevate the customer experience and foster trust, thanks to a personalized, proactive and seamless approach.

Businesses can streamline operations and optimize resource allocation to better navigate market challenges, continuously seizing new opportunities in the dynamic digital era. Only through this approach, Field Service actors will be able to stay ahead in a competitive landscape, always assuring activity compliance.

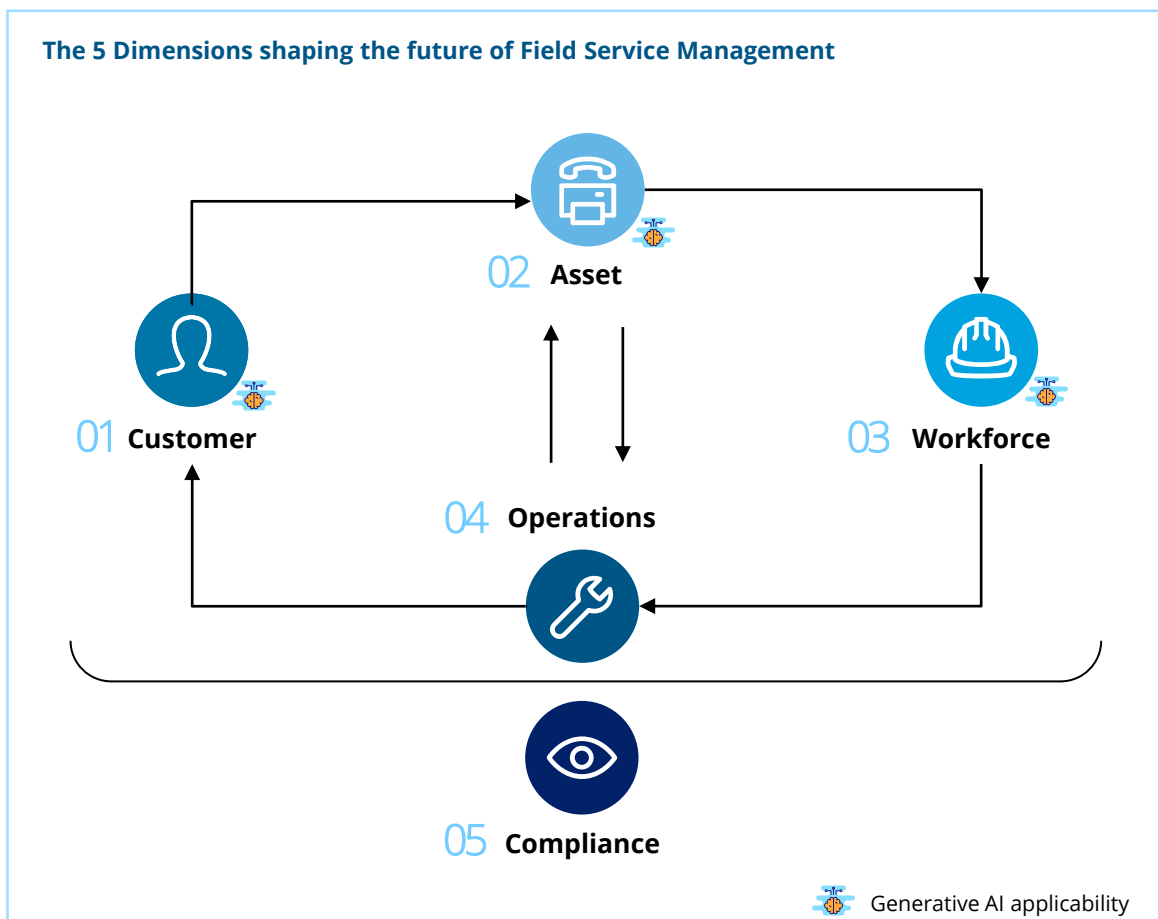
In this paper, critical factors that Field Service companies should consider while defining their strategy will be presented and discussed, also focusing on their impacts in terms of profitability and sustainability.

Particularly, the following 5 fundamental dimensions will be analyzed, each with a focus in a dedicated chapter: Customer, Asset, Workforce, Operations and Compliance (see Illustration 4).

On the one hand, smart assets proactively empower workforce to operate and maintain them efficiently. On the other hand, customers can either exploit self-service capabilities to directly interface with these assets or engage with Field Service agents to request operations and assistance. This interconnected approach optimizes the Field Service experience, delivering enhanced efficiency and customer satisfaction while being compliant in all dimensions.

Furthermore, recognizing the impending influence of Generative AI new trend in the field service sector, the paper will conclude by highlighting these technologies and presenting dimensional use cases, to stress the myriad opportunities they bring.

Illustration 4



01 Navigating evolving customer expectations in FSM

CUSTOMER

Market conditions are changing rapidly, with a greater emphasis on digitalization and an increased physical distance between companies and customers.

Such factors are significantly reshaping the way organizations cultivate and sustain customer relationships.

Consequently, it is of paramount importance for companies to embrace novel approaches in nurturing customer relationships not only leveraging on technology, but also spreading a customer-centric approach throughout workforce and operations.

IN THE DYNAMIC LANDSCAPE OF FIELD SERVICE MANAGEMENT, A PARADIGM SHIFT IS UNDERWAY: PLACING CUSTOMER AT THE FOREFRONT OF SUCCESS. THIS PARTICULARLY IMPACTS TECHNICIANS' WORK, REQUIRING THEM THE ABILITY TO MANAGE CUSTOMER RELATIONSHIPS AS THE MOST CRUCIAL SKILL.

Particularly, in this scenario the following trends have emerged:

- Empowering technicians to customer relationship
- Providing the service is no longer enough
- Harnessing customer centric solutions

EMPOWERING TECHNICIANS TO CUSTOMER RELATIONSHIPS

Technicians are no longer just problem solvers; they are brand ambassadors, representing the organization on the frontline. Every interaction with a customer is an opportunity to leave a positive impression, cementing trust and nurturing loyalty. As customers increasingly expect personalized and seamless experiences, technicians must acquire new customer-facing skills to thrive in this customer-centric era. To facilitate this, companies should:

Educate technicians to embrace their role as customer advocates, mastering new skills and attentively tending to customer relationships, eventually transforming ordinary service interactions into experiences and engagement occasions.

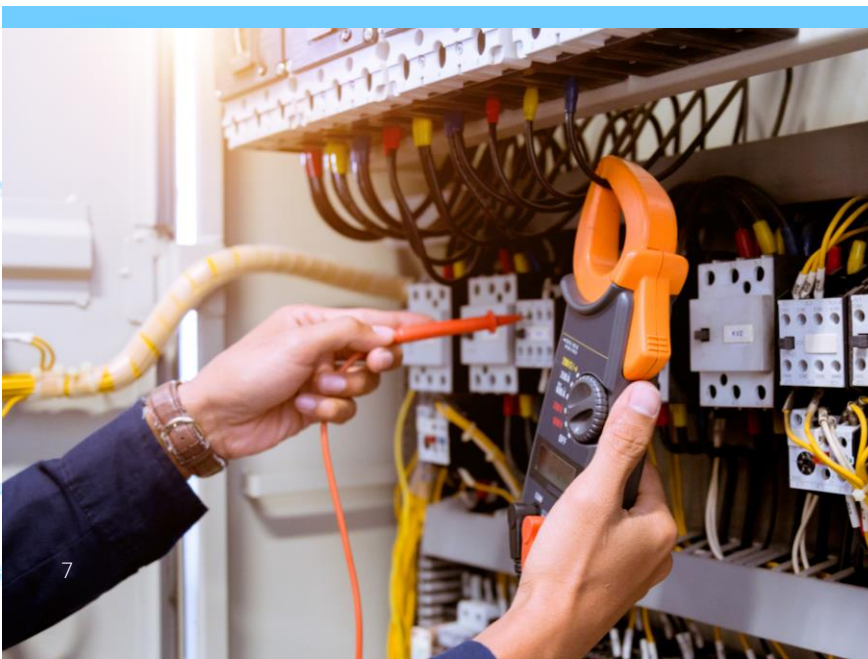
PROVIDING THE SERVICE IS NO LONGER ENOUGH

According to the *Field Operations Survey Report* (Deloitte, 2023), most interviewees claimed that to comply with the ever-evolving customer expectations in Field Service, providers are redefining their roles from mere suppliers to trusted advisors.

The shift towards becoming a trusted advisor is driven by the understanding that customer success is not solely achieved through technical expertise, but also by cultivating meaningful partnerships and sharing essential knowledge.

By gaining a deep understanding of the customers' objectives, providers can:

Tailor services to align with the customers' strategic vision: to truly serve as a trusted advisor, Field Service providers must adopt a customer-centric mindset. This involves delving into the customers' unique business goals, challenges and aspirations, in order to better understand and satisfy his evolving needs.



HARNESSING CUSTOMER CENTRIC SOLUTIONS

Customer expectations are shifting, and consumers are embracing new ways to interact with companies for troubleshooting and service needs.

The rise of in-app tutorials, chatbots, chat GPT (Generative Pre-trained Transformer), and DIY (Do It Yourself) solutions reflects this trend as organizations must carefully consider how they want to approach customer support and service delivery to meet these changing expectations effectively. In this respect, it is crucial for companies to:

Enable real-time communication for immediate support: Real-time communication channels such as live chat, video calls, or instant messaging enable Field Service organizations to provide immediate support to customers. By offering these channels, companies can swiftly address customer inquiries, troubleshoot issues, and offer guidance in real-time.

This level of responsiveness not only enhances the overall customer experience but also strengthens customer trust in the organization's ability to deliver timely solutions.

Provide remote troubleshooting to speed-up service resolution:

Remote troubleshooting capabilities empower the workforce to diagnose and resolve issues without the need for physical visits. Through remote access to equipment or IoT-enabled devices, technicians can identify problems, provide instructions to customers or even fix minor issues remotely. This streamlined approach accelerates service resolution, reducing downtime for customers and increasing operational efficiency for the Field Service organizations.

Leverage on AI and ML to analyze customer data, predict needs, and offer proactive solutions:

By harnessing the power of Artificial Intelligence and Machine Learning, Field Service organizations can analyze massive amounts of customer data to discern patterns and predict potential issues. Predictive analytics enables companies to anticipate customer needs, identify early signs of equipment malfunctions and offer proactive solutions. This forward-thinking approach not only boosts customer satisfaction but also helps prevent costly breakdowns and unplanned downtime.

Unlock the power of self-service:

self-service capabilities have emerged as crucial in the Field Service industry. Indeed, 35% of organizations offer advanced self-service features and 45% allow limited self-service (Deloitte, 2023), elevating client experiences and creating a win-win scenario for both customers and providers. Such activities include knowledge bases for issue identification, guided diagnosis paths, troubleshooting portals and self-repair instructions, which are becoming increasingly user-friendly with the spread of generative AI serving as primary interface for users.

Forward-thinking organizations capitalize on self-service, offering it as a premium service and creating additional revenues. At the same time, customers enjoy convenience through personalized, self-guided experiences, accessing information, scheduling appointments and tracking progresses. Moreover, regular usage of self-service features generates data, allowing organizations to collect customers' info, interactions and preferences and to adapt their strategies. Lastly, by offloading repetitive requests to self-service channels, Field Service staff can focus on more complex, value-driven tasks, shifting from mundane to impactful work enhances employee satisfaction.

SO WHAT?

Shifting customer expectations in Field Service require **innovative customer support approaches**, that positively impact revenues and costs. In particular:

- Embracing **real-time communication, remote troubleshooting, AI-driven analytics and self-service** can lead to **faster issue resolution and proactive solutions**, boosting **customer satisfaction and loyalty**, finally resulting in increased revenues
- Self-service options create **new revenue streams** and **optimize operations, improve efficiency** and allow **better resource allocation**, reducing manual support costs

02 ASSET

Smart Asset Management: A Vital Imperative for Thriving

In the fast-paced and ever-evolving Field Service industry, the role of assets, referring to equipment or resources necessary to perform Field Service tasks (e.g., spare parts, tools, equipment, vehicles, and consumables), has ascended to unprecedented significance, prompting companies to recognize that efficient asset management is no longer a mere operational function but a strategic imperative for achieving overall business success. With the industry landscape being reshaped by trends such as aging infrastructure, technological advancements, environmental sustainability, and cybersecurity risks, the adoption of Smart Asset Management strategies has become indispensable for on-Field Service providers. But what does Smart Asset management mean?

SMART ASSET MANAGEMENT REPRESENTS A GROUNDBREAKING APPROACH THAT ENTAILS THE UTILIZATION OF ADVANCED TECHNOLOGIES AND DATA-DRIVEN STRATEGIES TO OPTIMIZE ASSETS LIFECYCLE.

This transformative approach empowers companies to make informed and timely decisions, predict and prevent potential asset issues before they occur, and ensure exceptional Field Service experiences for their customers.

As one of the most prominent lever of this game-changing approach, the Internet of Things

(IoT) has a key role by allowing service providers to remotely collect key asset data and fuse it with other sources of information, creating valuable intelligence that better supports decision-making. This interconnectedness facilitates predictive maintenance, where asset issues can be identified and resolved before they manifest into real problems.

Another related key enabler is the concept of "digital twin," which has become a fundamental necessity for companies in the Field Service industry.

A DIGITAL TWIN IS A VIRTUAL REPRESENTATION OF A PHYSICAL ASSET, CAPTURING ITS CHARACTERISTICS, BEHAVIOR, AND PERFORMANCE IN REAL-TIME. IT ACTS AS A MIRROR OF THE PHYSICAL ASSET, ALLOWING FOR REMOTE ASSET MANAGEMENT AND PROACTIVE ISSUE RESOLUTION.

As the intellect of machines and their ability to solve complex problems grow with an increasing number of maintenance operations being performed remotely, the asset maintenance focus shifts away from the field. Companies now have the advantage of having a central hub where asset-related thinking and decision-making take place, reducing on-site repair time and increasing the chances of resolving issues during the first visit.

Amidst the rapidly changing industry landscape, we have identified a set of main key trends, accentuating the necessity for companies to fully embrace Smart Asset Management strategies:

- Aging Infrastructure
- Technological Advancements
- Environmental Sustainability
- Cybersecurity Risks



AGING INFRASTRUCTURE

Many industries, such as oil and gas, transportation, and utilities, grapple with aging infrastructure that demands ongoing maintenance and poses challenges in reliability, efficiency, and safety. Firms must manage these assets effectively through:

Proactive Asset Management: Implement a strategy that includes regular inspections, scheduled maintenance, and timely upgrades to prevent unexpected downtime.

Predictive Analytics: Utilize advanced technologies to monitor asset health and predict potential failures, enabling timely.

TECHNOLOGICAL ADVANCEMENTS

Rapid technological advancements, including IoT, automation, and robotics, are reshaping the Field Service landscape, impacting the way assets are managed and maintained. Then, it is crucial for organizations to leverage on:


Digitalization and Automation: Embrace technological advancements by investing in digitalization and

automation within the Asset dimension to optimize workflows and streamline operations.

IoT Devices and Sensors: Implement IoT devices to collect real-time data on asset performance, enabling predictive maintenance and improving operational efficiency.

ENVIRONMENTAL SUSTAINABILITY

According to IBM's Balancing sustainability and profitability (2022), a significant 49% of customers willingly paid a premium of 59% more for sustainable or socially responsible items in 2021. This underscores the growing importance of sustainable practices in Field Service operations. Therefore, companies should invest in:

 **Reporting Tool combined with GenAI:** Implement a reporting tool that provides insights into the environmental impact of asset operations. This tool can track key environmental metrics, such as greenhouse gas emissions, energy consumption, and water usage. Combining it with GenAI solutions that analyze those data, companies can refine their strategy, gaining precise guidance for impactful actions.

Green Initiatives: Incorporate sustainable practices in asset management, such as using renewable energy sources and energy-efficient technologies. Such actions not only contribute to a greener future but also enhance the company's reputation among environmentally-conscious customers and stakeholders.

CYBERSECURITY RISKS

With growing digitization and interconnectivity, the field industry faces a rising risk of cyber threats, affecting the security and integrity of critical assets. Indeed, A staggering 83% of organizations suffered multiple data breaches in 2022 (HBR, 2022). In light of this, it is essential for organizations to take advantage of:

Robust Cybersecurity Measures: Establish strong cybersecurity protocols within the Asset dimension to protect critical assets and systems.

Regular Updates and Assessments: Conduct regular software and firmware updates and thorough security assessments within the Asset dimension to identify and address vulnerabilities.

SO WHAT?

Smart Asset Management can transform Field Service providers from cost centers to profit centers thanks to **operational efficiency optimization** and **customer satisfaction enhancement**. In particular:

- Creating digital twins and implementing predictive maintenance **reduce downtime and operational costs**
- Proactive approaches to aging infrastructure **reduce capital expenditure** because of longer asset lifespans
- Data-driven insights on assets could generate **new revenue streams** through data-as-a-service offerings and targeted upselling
- Focus on sustainable aspects let companies achieve **competitive advantage and positive market reputation** that increase market share and pricing power
- Establish strong cybersecurity protocols and regular updates **prevent** extremely costly **data breaches**

03 WORKFORCE

Next Generation Workforce: Customer Centric Field Service Agent

THE FIELD SERVICE WORKFORCE REPRESENTS A CRITICAL ASSET TO THE SUCCESS OF AN ORGANIZATION, AS IT IS RESPONSIBLE FOR DELIVERING HIGH-QUALITY SERVICES TO CLIENTS, ENSURING THE SAFETY AND RELIABILITY OF EQUIPMENT, REINFORCING BRAND PERCEPTION AND LOYALTY AND MAINTAINING CUSTOMER SATISFACTION.

Nowadays, the rapid evolution of the Field Service industry requires workforce to continually change and adapt to new requirements and standards, considering both technicians that install, maintain, and repair products or equipment on-site, as well as back-office support staff who coordinate and manage the operations.

In particular, the undergoing transformation is driven by the convergence of the following factors:

- workforce redefinition and well-being;
- workforce digitalization and automation;

- aging workforce and knowledge transfer;
- on-demand workforce.

WORKFORCE REDEFINITION AND WELL-BEING

Traditionally, Field Service organizations have deployed technicians to customer sites solely for repair, installation, maintenance and troubleshooting, often involving demanding work schedules and challenging environments, impacting employee well-being and work-life balance. However, today it is fundamental to build lasting relationships and seamless customer experiences, by redesigning the role of technician and giving them a new significance. In this regard, 85% of decision makers agree there is a direct link between employee experience and customer experience (Salesforce, 2022). As such, organizations are acknowledging the importance of employee well-being and striving to create supportive

environments. In doing so, they should consider to:

Adopt new management and training methods to prepare technicians for customer service. Field service agents should be transformed into front-line brand ambassadors, offering the most personal channel for customer engagement through increased value of personal interaction, collaboration & communication.


Implement policies and programs that values and support work-life balance, such as flexible work arrangements, remote work options and wellness programs. Provide access to resources for physical and mental well-being, including employee assistance initiatives, health benefits and stress management programs. Foster a supportive and inclusive culture that encourages open communication.

WORKFORCE DIGITALIZATION AND AUTOMATION

As many others, the Field Service industry is undergoing digital transformation, leading to the automation of repetitive tasks and the integration of digital technologies, decreasing the number of personal touchpoints. This trend impacts the workforce, requiring new skills and the ability to adapt to technological advancements. In particular, companies should:



Invest in upskilling and reskilling programs to equip the workforce with digital literacy and the skills required to work with automation and emerging technologies. Foster a culture of continuous learning and provide opportunities for employees to acquire new skills. Ensure effective change management to facilitate the adoption of new digital tools and technologies.

 **Integrate Generative AI in daily operations** to support technicians with a "copilot" or conversational "bot". This digital assistant acts as a valuable companion that can help technicians in various tasks. Firstly, keeping track of the assets' history, providing quick access to vital information about the machine they are working on. This includes its maintenance history, previous repairs and any recurring issues. Armed with this knowledge, the workforce can diagnose problems more efficiently and make informed decisions.

Secondly, GenAI can be integrated with the knowledge base, allowing technicians to navigate a vast repository of technical documentation, best practices and troubleshooting guides. Whenever faced with a challenging situation, they can

simply converse with the bot to find relevant information and step-by-step instructions, enhancing their problem-solving capabilities and reducing the need for unnecessary callbacks or escalations.

Lastly, this tool can simplify the process of creating service reports. As a matter of fact, instead of spending valuable time manually documenting their activities and findings, technicians can converse with the bot and dictate their observations in real-time, shortly receiving a comprehensive service reports. This streamlines administrative tasks and allows technicians to focus more on delivering high-quality service.

AGING WORKFORCE AND KNOWLEDGE TRANSFER

The field industry faces the challenge of an aging workforce, with experienced employees nearing retirement. Ensuring knowledge transfer and capturing critical expertise is essential for continuity and future success. Therefore, it is crucial for organizations to:

Implement knowledge transfer programs to capture and transfer expertise from retiring employees to younger

Establish mentorship programs and encourage cross-generational collaboration to facilitate knowledge sharing. Develop documentation and digital platforms to preserve institutional knowledge and make it easily accessible to the workforce. Invest in workforce planning and succession management to identify and develop future leaders.

ON-DEMAND WORKFORCE

Last but not least, the rise of the gig economy and the availability of online platforms have led to an increased use of on-demand staffing models to face fluctuating work demands. Considering that "finding qualified staff" and "staffing shortages" are recognized as the biggest challenges for Field Service companies (Deloitte, 2023), organizations could favorably exploit this opportunity in the labor market. Therefore, companies should:

Embrace the on-demand workforce model by partnering with platforms or staffing agencies that specialize in providing skilled workers on-demand, streamlining processes for onboarding and offboarding contingent workers.

SO WHAT?

By adapting to the demands of modern Field Service, organizations that implement proposals for **workforce redefinition** stand to gain significant benefits. In particular:

- **Transforming technicians into customer ambassadors** and improving work-life balance can **enhance customer experiences, loyalty and satisfaction** - driving new revenues
- Embracing **digital technologies** and **upskilling the workforce** allow companies to provide new services and capture emerging opportunities, improving **efficiency** and **customer satisfaction**
- **On-demand staffing models** offer flexibility to scale operations as needed
- **Knowledge transfer programs** mitigate risks from employee turnover and prevent loss of critical expertise - favoring **cost reduction**.

However, comprehensive change management efforts will be required to drive adoption and maximize these benefits. For Field Service companies, **investing in the future of their workforce** carries great potential for both top and bottom lines: those that fail to adapt risk losing their competitive edge.

04 Driving Operational Excellence

OPERATIONS

In the Field Service area, companies are facing the imperative to strategically adapt their operations. In order to address their challenges, companies in the Field Service sector should embrace a series of methodological trends related to Operations, which are essential for securing their long-term viability. We have identified as the most compelling trends the following ones:

- Data-driven decision making
- Agile methodology and flexibility
- Control centralization
- Efficiency through automation

Real-time data transmission and analysis facilitate quick and data-driven decision-making, optimizing resource utilization and response times. Complementing this transformative shift is the data-driven approach, where companies effectively harness

the abundance of data available from sensors and data collection systems.

ADVANCED DATA ANALYTICS AND VISUALIZATION TOOLS PROVIDE VALUABLE INSIGHTS, EMPOWERING OPERATIONAL STAFF TO PROACTIVELY ADDRESS ISSUES AND ENHANCE OVERALL PERFORMANCE.

Customer feedback data plays a pivotal role, tailoring services to meet customer preferences and pain points, fostering long-term loyalty, and positive brand perception.

In this rapidly changing landscape, agility is crucial for companies to navigate shifting customer demands, market dynamics, and regulatory requirements. Agile methodologies, characterized by iterative processes and short feedback loops, enable swift

adjustments to evolving circumstances, maintaining operational efficiency and responsiveness.

Additionally, companies must build flexibility into their production systems and supply chain processes. This adaptability allows for easy reconfiguration or scaling based on demand fluctuations, optimizing resource utilization and minimizing disruptions.

Efficiency through automation further supports the data-driven approach. Identifying manual and repetitive tasks allows companies to leverage robotic process automation (RPA) and AI for streamlined workflows and data analysis. This enhances productivity, reduces errors, and empowers data-backed decision-making, driving overall operational efficiency.



DATA-DRIVEN DECISION MAKING

Data abundance due to proliferation of sensors should be leveraged for decision-making and used to optimize operations and improve performance. Therefore, organizations are encouraged to exploit:

Data Analytics and Visualization Tools:

Invest in advanced data analytics and visualization tools that process and interpret the collected data, enabling operational staff to gain valuable insights from data and make informed decisions.

Customer Feedback Collection:

By capturing and analyzing customer insights, service providers can better understand customer preferences and pain points, leading to enhanced service experiences and increased customer satisfaction.

AGILE METHODOLOGY AND FLEXIBILITY

With changing customer demands, market dynamics and regulatory requirements, firms need to be agile and adaptable to quickly respond to these changes. It is of paramount importance for them to adopt:

Agile Operational Strategies:

Embrace agile methodologies to enable quick adjustments to changing circumstances. Implement iterative processes and short feedback loops that allow for rapid adaptation to evolving requirements.

Flexible Production Systems and Supply Chain Processes:

Build flexibility into production systems and supply chain processes to easily reconfigure or scale up/down operations based on demand fluctuations. Adaptability ensures efficient resource utilization and minimizes disruptions.

CONTROL CENTRALIZATION

This industry is embracing the concept of centralized control to focus on optimizing operations through streamlined processes from a centralized location. Reflecting on this, companies should opt for:

Cutting-Edge Monitoring and Control Solutions:

Implement sophisticated monitoring and control systems, harnessing its power to facilitate real-time data transmission and analysis. These systems empower

instantaneous access to critical insights, expediting informed decision-making.

Cloud Computing and IoT:

Cloud-based platforms deliver secure and scalable data storage, while IoT devices seamlessly capture and transmit real-time data, enriching the depth of operational intelligence.

EFFICIENCY THROUGH AUTOMATION

Automation can improve productivity, reduce errors, and enhance overall operational efficiency. It becomes imperative for organizations to harness:

Manual and Repetitive Tasks Identification:

Conduct a thorough analysis of field operations to identify manual and repetitive tasks that can be automated. Focus on tasks that consume significant time and resources but add little value.

Robotic Process Automation (RPA) and AI:

Integrate robotic process automation and artificial intelligence into field operations to automate workflows and data analysis. RPA can handle routine tasks, while AI can analyze complex data patterns.

SO WHAT?

Embracing the change means adopting an integrated approach to Operations that mixes a **data-driven attitude** and a **centralized control** with **agile methodologies and automation**.

These combined elements synergize to magnify operational excellence by:

- **captivating prospective clients**
- stoking service demand to even greater heights
- escalating in customer base and service utilization contributes significantly to **heightened profitability**

By these transformative concepts, Field Service companies forge an unwavering competitive edge, positioned to navigate the dynamic currents of the market landscape.

Such a comprehensive strategy not only propels immediate gains but lays the foundation for sustained growth, underpinning long-term success and solidifying a prominent market presence.

05 COMPLIANCE as a hidden game-changer

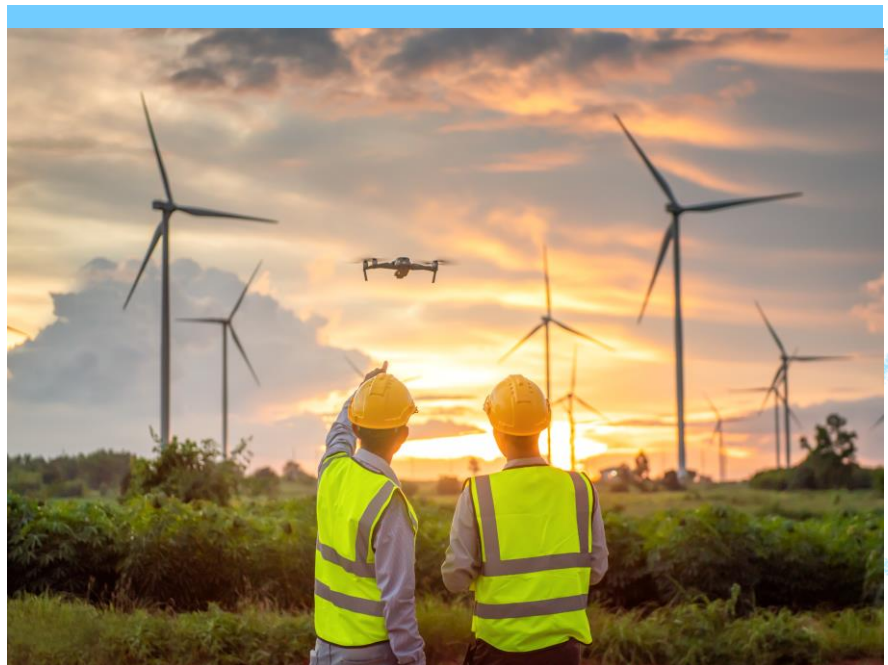
In the dynamic world of Field Service management, compliance is the ultimate game-changer. It is all about playing by the rules – regulations, company policies, and industry standards. Why is it so vital? Because it is what guarantees smooth, safe, and legally rock-solid operations in the Field Service sector.

COMPLIANCE IS AN ONGOING PROCESS, AND IT IS ESSENTIAL TO FOSTER A CULTURE OF COMPLIANCE WITHIN YOUR ORGANIZATION. BY STAYING INFORMED, PROACTIVE, AND COMMITTED TO REGULATORY REQUIREMENTS, YOUR FIELD SERVICE COMPANY CAN OPERATE EFFICIENTLY WHILE MITIGATING COMPLIANCE RISKS.

Particularly, compliance plays a fundamental role in in the following scenarios, and its implications will be further discussed:

- Safety
- Data privacy
- Document management
- Quality standards

In this regards, violations can lead to hefty financial penalties, risks, lawsuits, and even the collapse of a company. To avoid these potential pitfalls, businesses must adopt transformational solutions. By staying ahead of trends and ensuring compliance, they'll save costs, mitigate risks and secure a prosperous future. It's therefore fundamental to crack the compliance code and safeguard



business success.

SAFETY

Adherence to health and safety regulations inside and outside of the workplace, including staff training on safety protocols, equipment compliance and risk management, is one of the most relevant topics for companies. Therefore, they should:

Enhance workforce safety: companies are now forced to adopt state-of-the-art technology enablers to pioneer workforce security; some technology enablers include augmented reality and remote monitoring through fixed cameras/drones. These innovative solutions empower Field Service teams with real-time insights and remote support, enabling them to tackle complex tasks while minimizing risks to their safety.

DATA PRIVACY

Compliance with respect to appropriate measures to properly protect data and comply with laws such as the General Data Protection Regulation (GDPR) in Europe. To do so, it is crucial for businesses to:

Implement a mature security model in terms of data security and privacy, in addition to data encryption and security protocols. This step is essential to ensure that information access is optimized for each job profile. In this regard, a robust security model upholds the principle of least privilege, ensuring that employees are granted only the essential access necessary for their job roles, thereby mitigating the risk of unauthorized data exposure or misuse.

A mature security model is an

essential pillar of a comprehensive data security & privacy strategy for Field Service organizations to significantly reduce the risk of data breaches, maintaining compliance with regulations and creating a secure operational environment.

Moreover, regular access reviews and audits are still crucial to identify any inconsistency or gap in access rights, while investing in powerful identity and access management solutions provides centralized control over user access, authentication, and authorization processes.

DOCUMENT MANAGEMENT

Proper document management, including contracts, service agreements, instruction manuals and other legal documents, helps the company in preventing errors, legal issues and disputes. For these reasons, Field Service players should:

Implement system-driven contract entitlements through automated systems, a Field Service management platform and a set of rules governing the scope of offered services based on the terms outlined in their service

contracts. The goal is to ensure that the services delivered align precisely with the agreed-upon terms, minimizing any potential discrepancies and reducing service revenue leakage.

Automate contract management: nowadays, it is imperative for organizations to adopt and implement robust contract management systems that automate contract generation, ensuring accurate pricing and billing, and providing real-time visibility into contract performance.

QUALITY STANDARDS

In order to adopt effective quality management processes, Field Service organizations must refer to industry-specific standards, as well as government guidelines. Hence, they should:

Adhere to regulatory and environmental quality standards: nowadays companies are dealing with several quality standards and protocols ranging from environmental to regulatory and these vary according to the industry companies operate in. The integration of cutting-edge technologies emerges as a

powerful ally in minimizing business liability and elevating quality standards in the Field Service domain.

For instance, a robust audit history tracking mechanism provides a comprehensive record of all activities, interactions and changes made to contracts and service agreements. This level of transparency ensures compliance with regulatory requirements and builds a strong foundation of accountability within your organization.

On the ESG perspective, an increased first-time fix rate not only enhances operational efficiency and customer satisfaction, but also plays a significant role in advancing sustainability and meeting environmental standards. To do so, organizations must equip technicians with comprehensive data and tools before they head to a job site. By optimizing routing and scheduling, companies reduce the number of travels, fuel consumption and greenhouse gas emissions, therefore minimizing the carbon footprint associated with their service operations. Lastly, faster issue resolution means fewer repeat visits and lower resource usage, contributing to much more responsible consumption of materials and energy.

SO WHAT?

In the Field Service industry, **compliance significantly impacts revenues and costs**. In particular:

- **Adherence to safety regulations** enhance **workforce safety** and reduce **potential legal liabilities**, resulting in cost savings.
- Implementing a **mature security model** ensures **data privacy compliance**, mitigating the **risk of data breaches** and associated fines, safeguarding the **company's reputation and finances**.
- Robust **contract management streamlines operations**, reducing errors and elevating customer satisfaction, leading to improved **customer retention** and **increased revenues**.
- Embracing **quality standards** and cutting-edge technologies improves **first-time fix rates**, driving **operational efficiency**, reducing resource usage and positively impacting **sustainability efforts**, which in turn lowers costs related to fuel consumption and material usage.

Overall, a comprehensive approach to compliance not only mitigates risks and penalties but also fosters a **culture of quality excellence**, enhancing customer trust and loyalty, ultimately driving revenue growth and cost savings for Field Service organizations.



Gen-AI Wonders: Exploring Brand New Opportunities

After having navigated the main trends in field service, the focus narrows now on specific use cases that illuminate the transformative potential of Generative AI within the industry. These selected examples underscore the significant changes this technology can bring to field service work and the evolving client expectations. They serve as a catalyst for reflection on what is possible to achieve by harnessing the full potential of these technologies.



01. CUSTOMER

Sarah Thompson, Maintenance Manager at *Z Electronics*, faced a problem with the automation system that was causing the production line downtime. Sarah accessed *TechSupport*, the ServiceGenius Solutions Gen-AI interface, explaining the issue via chat.

TechSupport immediately sprang into action, asking **detailed questions**, requesting **diagnostic data** from the asset, and, within minutes, **pinpointed a potential root cause** and providing Sarah with a **step-by-step troubleshooting guide**.

Then, the tool **analyzed the real-time equipment data** and cross-referenced it with historical maintenance records, determined the issue required a part replacement and **generated a maintenance request ticket**, including description, needed part, and a proposed technician dispatch time.

This B2B use case illustrates how conversational Gen-AI can greatly benefit businesses, providing efficient technical support and minimizing downtime.



02. ASSET

ServiceGenius Solutions, committed to aggressive carbon reduction targets, already uses advanced emissions tracking but faces challenges integrating it into their ESG strategy. Seeking to bridge this gap, they embrace Generative AI to **analyze existing advanced reports, extracting valuable insights** and recommendations. To offset the direct and indirect emissions of their assets, it suggests a symbiotic collaboration with local reforestation initiatives. By partnering with these initiatives, ServiceGenius Solutions can offset carbon emissions through strategic tree planting, offering an innovative solution that contributes to environmental responsibility while enhancing community engagement.

With these newfound insights, ServiceGenius Solutions refines its ESG strategy, gaining precise guidance for impactful actions that contribute to their carbon reduction goals, setting a strong example in the realm of sustainability and corporate responsibility.



03. WORKFORCE

ServiceGenius Solutions' technicians have been encountering challenges when it comes to generate detailed maintenance reports for their clients. This process involves checking various sources and consolidating information, leading to time-consuming and error-prone tasks. In response, ServiceGenius Solutions has decided to implement a Generative AI system that will provide a transformative solution by **automating the creation of personalized maintenance reports**. After a technician completes a service task, the AI **analyzes a wide range of data sources**, including photos, sensor readings, and technician notes.

As a result, ServiceGenius Solutions benefits from the implementation of Generative AI in maintenance reporting, leading to improved technician efficiency and an enhanced client experience through the delivery of detailed and personalized reports.

Beyond the Horizon: Paving the Way for Tomorrow's Success

It is becoming increasingly evident that the Field Service is undergoing a **significant transformation**, gradually transcending its characterization as a mere cost center and emerging as a **compelling and strategic opportunity** for companies.

Indeed, the future of Field Service management holds immense potential to **transform customer experiences** through innovative solutions that **blend digital tools and human touch**. However, organizations must navigate an **evolving landscape** shaped by new technologies and disruptive industry trends.

In this scenario, it will be crucial to leverage on the **key concepts** discussed in this paper for all the **five dimensions**. Building a **next-generation workforce**, embracing **smart asset management to drive operational excellence**, placing the **customer relationships** at the **very core** of each **strategy**, and keeping an eye on **compliance** duties, will empower companies to **maximize customer lifetime value** and **bolster overall profitability**, propelling sustainable growth and **long-term success**.

Field Service providers that support change, embrace digitalization, invest in reskilling their employees and cultivate a **culture of continuous improvement** will establish themselves as **innovative leaders** in this fast-growing market.

The principles and strategies outlined in this paper provide a meaningful roadmap for navigating an exciting **new horizon of opportunity and growth**. The journey begins **one step at a time**, and the strategy needs to be constantly adapted in the light of the ever-changing technological landscape. But the rewards for those who boldly move forward with vision and purpose will surely be well worth the effort.

If you are interested in learning more about ways to improve your customers' overall experience through your Field Service team, please reach out to Deloitte Digital.

Bibliography

- *Field Operations Survey*, Deloitte, 2023
- *The Future of Field Service*, Deloitte 2022
- *Next Generation Customer Service: Field Service*, Deloitte, 2021
- *Next Generation Customer Service | Future of Field Service*, Deloitte, 2021
- *Future of Field Service*, Deloitte, 2020
- *Field Service Survey | Insights, Trends and Industry Aspirations*, Deloitte, 2020
- *Forecast Analysis: CRM Customer Service and Support Software*, Gartner, 2022
- *Market Share Analysis: Customer Service and Support*, Gartner, 2022
- *State of the Connected Customer*, Salesforce, 2022
- *State of Service (5th edition)*, Salesforce, 2022
- *Balancing sustainability and profitability*; IBM, 2022
- *The Definitive Guide to Field Service trends in 2022*, Field Nation, 2022
- *The Devastating Business Impacts of a Cyber Breach*, Harvard Business Review, 2022



Contact Us



Gianluca Loparco
Partner
gloparco@deloitte.it



Mario Panzeri
Partner
mpanzeri@deloitte.it



Luca Negro
Partner
cnegro@deloitte.it



Gonzalo Perez Diaz
Director
gperezdiaz@deloitte.it



Greta Bisio
Manager
gbisio@deloitte.it



Sara Ambrosini
Manager
sambrosini@deloitte.it



Ciro Gilardi
Consultant
cgilardi@deloitte.it



Daniele Semeraro
Consultant
dasemeraro@deloitte.it



Riccardo Sacchi
Analyst
risacchi@deloitte.it



Deloitte.

Digital

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

