

How well aligned are field service and fleet management?

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Are field service technicians professional drivers?

Ask a field service technician or engineer what they do for a living, and they will likely describe their on-site job activities; servicing assets, providing maintenance, and resolving customer issues.

They may even explain how their role has become increasingly customer-facing and how part of their role today is to be a genuine brand ambassador for their employer and a trusted advisor to the customer.

A field service engineer's line manager would probably agree with all the above.

Neither would generally say that the field worker is a professional driver.

In field service, while the core job function is centred around on-site work for the customer. Driving, even though it often forms a significant part of the field service workers' day, is just a means of getting from A to B. This is, of course, correct – indeed, it is why Technician Utilization is such an important metric and why it consistently ranks amongst the top metrics tracked in study after study, year after year.

Yet, the reality is for many field service workers, the largest part of their day is spent behind the wheel, and driving is an intrinsic part of their day-to-day activity – but what does this mean for us in field service operations?

Often, fleet managers are responsible for ensuring the vehicles the engineers use are available and ready. Any technology within the vehicle, such as GPS tracking, cameras, and telematics, will likely be implemented by the fleet manager with support from the IT department.

But when these tools guide the field service worker to be a more effective and safer driver, who in the organization should take ownership of them? The answer is a gray area, and programs that sit between two departments can, at best, under-deliver on their potential and, at worst, fall through the cracks unnoticed.

With this in mind, we believe it is essential to understand the relationship

between field service and fleet management. To do so, we partnered with GPS Insight as they are one of the few solution providers with their feet firmly in both camps, offering best-in-class fleet management solutions and, as well as FieldAware, their highly respected FSM platform.

As always, with FSN Research studies, we have worked in three phases of the study. The first is a quantitative study conducted online; the second is a detailed debrief session where we will analyze the key trends emerging in the quantitative data with a panel of subject matter experts.

The final phase is where we will take the insights from that analysis and return to many of those involved in the first phase with a series of one-on-one interviews to add further qualitative data to the study, which will be presented in a 'Beyond the Data' report.

In the opening quantitative phase of this study, which we will explore in this report, 186 senior field service leaders offered their insight in this first phase of the study.

These service leaders represented organisations from a wide array of industry verticals, including telcos, manufacturing, third-party service providers, utilities, facilities, security and others.

Equally, there were representatives from multiple regions, including the US, UK, Sweden, Austria, Belgium, France, UAE, Netherlands, Germany, Australia and Norway, Finland, Lithuania and more.

Our headline objective with this study is to explore the relationship between fleet management and field service operations. Our goal is to understand if the two business units work together and use these shared tools to drive efficiencies across the business as a whole or if they're being used in isolation.

Across the following pages, we explore the findings of the study's quantitative phase, presenting the data with little editorialization so you can see the trends directly.

Understanding technological maturity in FSM

The opening series of questions we put to our respondents was designed to understand the overall maturity of technology used for Field Service Management and Fleet Management.

The reason for adopting this approach was to understand how many disparate systems are in the technology stack in relation to field and fleet and to see how data can move from the solutions in place for both disciplines.

To begin, let us look at which FSM tools are in place.

It is perhaps no surprise that the most common technologies in place are Field Service Management (FSM) systems and mobile applications, which have become the backbone of modern field service operations for many service organizations.

As such, we would anticipate seeing results in line with what the study confirms, as we see 78% of companies in this response set have an FSM solution in place, and 76% have dedicated mobile applications for their field service engineers and technicians.

Another solution type that is slightly less prevalent but still widely used and could be an essential part of this study as we work through the data is Dynamic/Optimized scheduling.

Within the organizations represented in this study, we saw that 44% of field service organizations had such solutions. While almost all field service organizations will have some layer of scheduling tool, even incorporating lighter, assisted scheduling elements, generally, dynamic scheduling solutions are more suited to either larger or mid-sized service organizations with more complex service workflows.

As we look at the breakdown of company sizes within the study, this number does align with this thesis, if ever so slightly higher than we might estimate. However, this will be an interesting data point for further analysis because those organizations who have invested in dynamic scheduling tools will focus on reducing fuel costs, another of the key benefits of such solutions.

Therefore, if there is a correlation between those organizations that utilize dynamic scheduling tools and those that use fleet management focused tools that also offer fuel reduction elements, this would be a clear indicator of the two disciplines overlapping.

One layer of technology solutions that could be viewed as a clear indicator of

technological maturity would be IoT tools. These are very much at the forefront of modern ‘connected field service.’ In this area, more than a third (37%) of companies within this study’s response group are now utilizing IoT connectivity within their field service operations workflows.

However, it should be noted that a smaller percentage of organizations stated that they had real-time data analysis in place, which many would view as essential to truly leverage the potential of the IoT solutions. In this area less than a fifth (18%) of field service companies use such systems.

A couple of other interesting aspects to note here, which may indicate how broader technological trends may influence the relationship between field service management and fleet management within this section, include:

- Knowledge management - 31% of field service companies in the study stated that they were using such tools.
- Customer portals- 41% of companies in this response group are also using customer portals.

What could be an interesting cross-analysis of the data would be to explore if field service organizations focusing on customer-focused products are still investing in fleet management solutions as well- as solutions like customer portals are being utilized effectively to deliver self-help and remote service tools which may cut down requirements for fleet tools, as companies transition to being less reliant on on-site service delivery - which we shall explore further in the study.

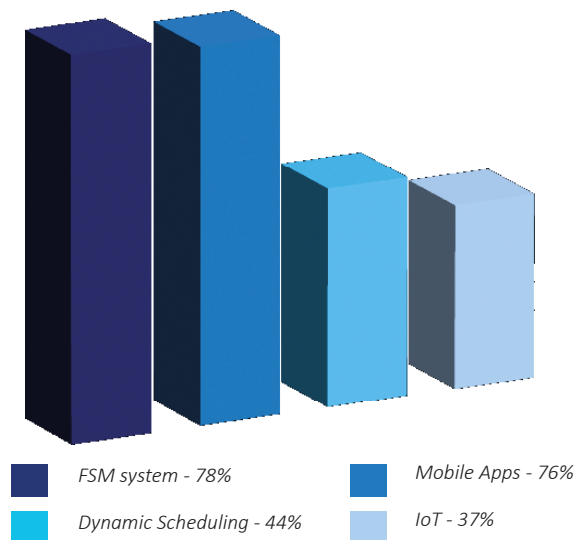


Fig.1 Most commonly cited FSM technologies being used

Understanding technological maturity in fleet management

The second segment of the study was designed to better understand the respondent group's maturity with their fleet management technology.

As in the previous section of this report, the purpose of this series of questions is to allow us to understand how many disparate systems are in the technology stack in relation to field and fleet and also see how data can move from the solutions in place for both disciplines.

Having established a reasonable understanding of the FSM technology stack, let us look at field service organizations' fleet management tools.

When we look at the most common fleet management technology cited by those in the study, it is probably very little surprise to see that GPS tracking is almost universally adopted- with 91% of organizations having GPS technology within their fleet. If anything, given that the majority of modern Light Commercial Vehicles (LCVs) used by field service organizations in their fleets will have a layer of GPS included as standard, this is largely to be expected.

Amongst the other technologies used in fleet management, however, there is far more significant variance amongst different organizations.

Of the other technologies listed, the second most prevalent and widely used was driver behavior technology which 43% of companies stated that they used. What is particularly interesting about this being the second most commonly used fleet management technology is that this is a clear indicator that for these organizations, at least, there is a clear understanding that by giving the field service engineers tools to improve their driving performance, there are significant benefits to the bottom line that can be gained.

Alongside driver behavior technology, another widely used solution was fleet management technology cited was fleet maintenance software which 36% of the organizations in the study stated they were using.

Interestingly, a much smaller group, only 12% of the total study respondents, used a dedicated vehicle maintenance app. This could be interpreted to suggest that fleet maintenance is an aspect that perhaps doesn't require the instant accessibility of an app on the device used by field service engineers and technicians. For many, a fleet management software solution is deemed to be sufficient in this regard.

One area of in-vehicle technology that may be used by a smaller number

of field service organizations than we might have anticipated is dashcams. Surprisingly less than half (34%) of the companies had dashcams installed within their vehicles. Of these companies, only 13% had internal views within their dashcams.

Given the multiple benefits of both internal and external dashcams, the role they can play in mitigating insurance costs and the relatively low cost of high-end solutions (such as those provided by our study sponsor, GPS Insight), the relatively low representation of companies using these tools is somewhat surprising. However, it does offer a relatively easy and cost-effective opportunity for many field service organizations to improve their fleet management capabilities.

Perhaps the follow-up question was the most compelling insight from these two initial questions. We asked if any organizations had integrated solutions for field service management and fleet management business operations.

Not a single company within our response set stated that this was the case, so in terms of how the solutions are embedded in service organizations, it is evident that the two remain in distinct silos. The question is whether that is also true for data moving across the systems in place for both business units- which we will explore further in the next section of this report.

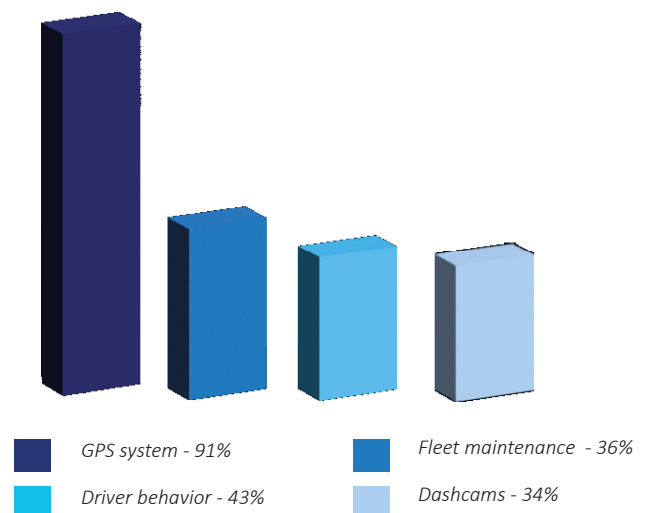


Fig.2 Most commonly cited Fleet technologies being used

Does data flow between field service and fleet?

Having established that the systems used for field service management and fleet management are siloed and used exclusively in their respective business units, does this mean that the data from each is also siloed?

There are significant benefits of allowing data to move from one business unit to another- particularly concerning field service data being shared across the wider organization- which FSN Research has covered in previous studies.

However, while often the flow of data from field service operations can be beneficial to other business units, including sales, marketing, and product design, in this scenario, the benefits of having access to fleet management data could undoubtedly play a role in helping field service management avoid unnecessary disruption to day-to-day operations. Additionally, data from field service work schedules could be beneficial for fleet management in terms of understanding the mileage of vehicles and scheduling necessary maintenance accordingly.

So is data able to flow across the two business units? Or does it stay in the same siloes as the systems themselves?

To better understand the common scenarios for field service organizations, we asked our respondents which of the following three options best described the situation in their business. The options were:

- Our fleet management tools are owned by the fleet management team, and our field service management tools are owned by the field service management team, and data is not shared across the two.
- Our fleet management tools are owned by the fleet management team, and our field service management tools are owned by the field service management team, and data is shared across the two.
- Our fleet management and field service management tools are owned by a central IT team and provided to the relevant operational units.

The responses were fairly balanced across these options.

Of these three options, the most common response was the first statement- which stated that the two business units operated their systems and there was no data flow between them. This was the situation for 36% of the organizations.

For 34% of organizations within the study, this was also the same situation where ownership of the systems sat in the relative business unit, but data did flow across the two divisions.

Finally, 30% of organizations cited the third option as being closest to their

situation, whereby the systems are owned by a Central IT team and provided to the relevant operational business units.

In this latter group, a centralized approach could facilitate data moving between systems to be leveraged simultaneously where needed. However, for those organizations that stated that they are not sharing data across the field service and fleet management business units, this does seem to be an area where quick wins could potentially be seen in terms of providing insights that can drive incremental efficiencies in operations.

Indeed, in the final question of this opening section of the study, we can perhaps see some correlation, albeit anecdotal, between how organizations perceive their organization in terms of technological maturity compared to their competitors, giving them a ranking scale of 1 to 10 with 10 much more advanced and 1 being much less advanced.

In general, looking at the ranking of all companies in the study, we see that the average response is 5.8 on this scale, indicating that most companies believe they are slightly ahead of their competitors. However, when we look at the smaller response set of companies with data flow across the two business units and systems, we see this number rise to 7.3.

While this dataset relies on self-reported perception, it offers a glimpse of the broader maturity curve for technology in this area. Improving data flow across FSM systems and fleet management systems would appear to be a desirable inclusion for those on the other end of the maturity spectrum.

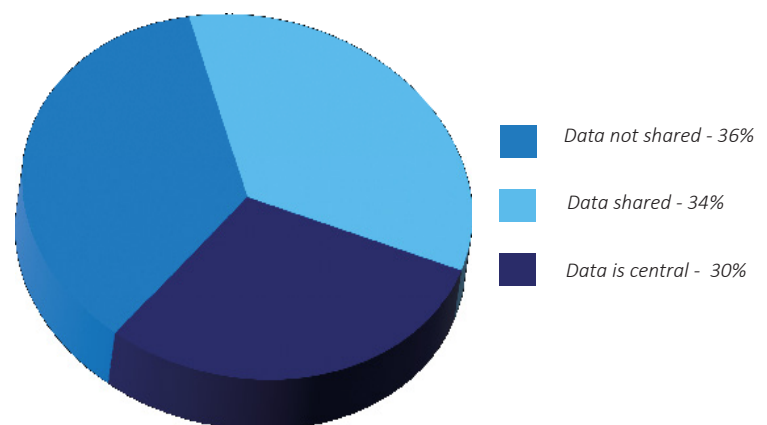


Fig.3 Is data shared between field and fleet?

Understanding the maturity level of service operations

In the opening section of this study, our focus was on better understanding the maturity levels across field service and fleet management systems within the industry, with the number of study respondents offering a robust enough snapshot of the industry to provide meaningful insight.

As we have seen in the previous section of this report, the data from this quantitative opening phase of the study indicates that while there are levels of maturity both in field service systems and fleet management systems in general, in terms of these systems interacting, it is only within a leading class group of just under a third of respondents that we see data flow across these systems which would be a market for firmly established and mature use of these tools to an optimum level.

In previous FSN Research studies, we have seen a clear correlation between the maturity levels of service organizations in terms of their adoption of technology and the sophistication of their service offerings. We were keen to see if this also extends to fleet management technology- in essence, are those companies who are further along the maturity curve in terms of their service offerings more likely to have better integration of their fleet management systems?

To understand this better, the second section of questioning we put to our respondents was centered around their service offerings. As in the previous section of this report, we will first look at the top-line findings and then compare the overall data with the data from the smaller response group that has identified that they have data flow across the two business units of fleet management and field service.

The first question we asked our respondents was to identify how many companies offered preventative maintenance or up-time-as-a-service solutions as part of their service offering.

When we look at the overall data set, we saw a significant number of all service organizations within the study do indeed offer such offerings. 73% of the study's service organizations stated that they provide such solutions.

However, when we look at the sub-group of service organizations that stated they have data flow across their field service and fleet management systems, we see a further increase, with 81% of organizations saying that they offer these more advanced layers of service in addition to the traditional break-fix model.

Taking this thinking one step further, we asked our respondents if they leveraged IoT and connected assets to deliver these more sophisticated service routes. While the numbers were slightly lower across both groups, we still saw

the same positive correlation. The responses to this question further magnified the assertion that those organizations with more sophisticated service offerings were more likely to be in the group with better data flow across field service and fleet management solutions.

Of those organizations in the entire response set that offered more advanced layers of service, 59% of organizations stated they were utilizing IoT/connected assets to underpin these more sophisticated service offerings. In comparison, 67% of the smaller subset response group said they leveraged IoT/Connected assets.

While we will dig further into this aspect of the study in the follow-up interview stage, it would be a fair assumption looking at the data from this study and other previous studies, that those organizations that are further along the maturity curve in terms of the service offerings are naturally further along the maturity curve in terms of field service technology, which in turn leads to being more likely to see the value in having data flow across multiple systems- including fleet management.

What is particularly interesting is when we look at the laggards that have yet to introduce such offerings. We asked this group, who have yet to introduce more advanced services into their service portfolio if they believed there was a strong customer appetite for more advanced forms of service such as predictive maintenance or outcome-based solutions within their industry.

The response to this question was emphatic- with 91% of these companies stating that they felt there was an appetite for such solutions. However, the adoption of such solutions appears to be vertically aligned. Even with the overwhelming belief that such answers would interest their customer base, almost two-thirds (62%) stated their main competitors also didn't offer more advanced services.

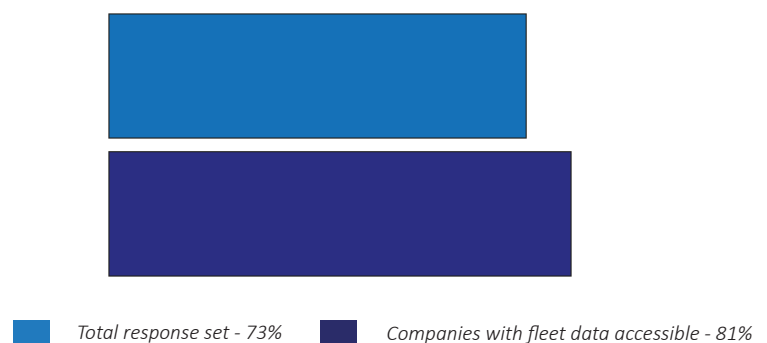


Fig.4 Percentage of companies offering preventative maintenance

What is the structural relationship between field service and fleet management?

So far in this report, we have been able to identify that there is some correlation between those service organizations who are further along the maturity curve both in terms of their service offering and their FSM technology and their ability to allow data to flow from their fleet management systems and their field service operations.

In the final part of this study, we wanted to explore the organizational relationship between field service and fleet management, as in doing so, we would be able to understand better whether there was a need for closer integration between the two business units or whether operating as two standalone but complementary operations within a business was sufficient.

The first question we asked our respondents in this last section of the study was which of the following best described the situation in their organization:

- Fleet management is a separate business unit from the field service operations
- Fleet management is part of the field service business unit

The study results show that the first of these two options is the most common setup, with 48% of companies stating this is the case for them. Slightly under a third of 31% of organizations said that their fleet management business unit was part of their field service operations team, while just over a fifth of respondents (21%) noted that the fleet management business unit was encompassed within another business unit (with a common reference here being HR).

It is perhaps not surprising but necessary to note that, once again, there was a strong correlation between those organizations who operate their fleet management within the field service business unit and those who can see the data flow between the job functions of field service management and fleet management. 86% of such organizations had this capability.

Similarly, we see more frequent communications within those organizations where fleet management and field service are under the same umbrella. Amongst these organizations, daily communication between the field service and fleet management teams occurred in 32% of companies compared to 16% of the remaining organizations within the entire response group. In contrast,

weekly communications, which was the most common interval for this subset response group, was cited by 38% of companies, compared to only 22% of organizations where fleet management was either standalone or within another business unit.

For those organizations where fleet management operates outside of the field service business unit, the most common frequency of communication between the fleet management and field service management team was monthly, which was the frequency 36% of companies stated was the case in their business.

What is somewhat surprising is that it is very rare amongst all companies, including those where field service and fleet are within the same business unit, for the field service lead to have responsibility for the fleet management team.

Even amongst those organizations where the two business units were within the same division, we only see dotted-line responsibility in this regard. This was only present in 17% of companies within this group.

However, while it is clear that amongst most organizations within the study, fleet and field service business units operate separately, they are still primarily aligned. 74% of all companies within the study stated that they believed the two business units aligned to the same organizational goals.

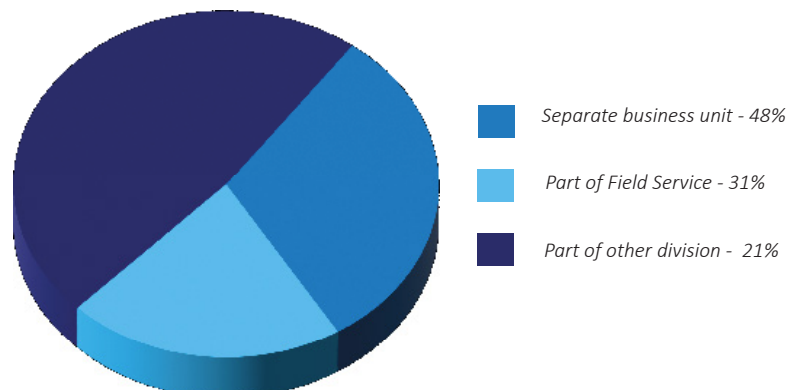


Fig.5 Which division does fleet management fall under?

Initial conclusions from the quantitative phase of the study

As we come to the end of the analysis of the first phase of this study and reflect on the study's headline statistics, some initial observations can be made.

Overall we can see some clear correlations between field service organizations' maturity levels in terms of the technology they have adopted, the sophistication of their service offerings, and their ability to leverage fleet management data within their field service operations.

Given that we are familiar with the correlation between technology adoption and service portfolio complexity from previous FSN Research studies, we can, with relative confidence, infer that the correlation we are seeing in this study between those organizations that can effectively utilize fleet management data within their field service operations is likely more related to their broader technological maturity than the sophistication of their service operations.

This makes sense in that those organizations with a more mature use of technology, on the whole, will likely have been through or are going through digital transformation within the business. Hence, they understand the value of data flowing across an organization rather than being locked up in individual business unit silos.

It is interesting to note how those organizations that see fleet management as part of the field service business unit are generally further along this path than the industry. Particularly, when the barriers of information flow are removed, as can be and has been achieved by the leading-edge organizations in this study, this would certainly seem to make sense as the efficiency of the fleet management organization will have a direct impact on the performance of the field service management operation.

Similarly, feeding data from field service into fleet management, particularly around mileage, would allow the fleet management team to work more proactively and in a more structured way by utilizing more robust data to support their planning.

Equally, from a service P&L perspective, fleet management tools such as driver behavior coaching apps can reduce fuel costs, or dash-cams that can reduce insurance costs can and will impact the bottom line.

Considering this and the relative ease of system communications in a world

of APIs and multi-tenant data solutions, it does seem that many field service organizations are missing out on some easy wins by not initiating this data flow more effectively.

Indeed, as we factor the study findings from the final section of this study into these initial conclusions, it could be inferred that even amongst those companies who do have such integration and data flow between field service and fleet management systems, this is more a by-product of other digital transformation elements rather than by design.

From the operational structure perspective, field service and fleet management remain primarily two separate areas of responsibility and management structure, even in those organizations where the two fall under one division within the business, which would support this assertion.

Yet, as we saw in the final question of this study, for a sizeable majority of the respondents, the two business units are aligned toward the same goals within the organization.

With this in mind, and taking into account the inherent benefits of better aligning the systems in place for both field service management and field service management, we must explore why doing so is not a commonplace practice.

It could be that among solution providers in the space, companies like our partner on this study, GPS Insight, who can offer guidance on both sides of the coin as they have deep expertise in both field service management and fleet management, are few and far between. In which case, is it a technological challenge? Perhaps, the technology barriers are not the overriding issue, but it is simply a lack of understanding amongst field service organizations of the benefits of aligning the two business units more effectively.

Perhaps, in this period of mass disruption and rapid evolution, where digital transformation dominates discussions in the boardroom, service companies are drawn to the more exciting and attention-grabbing transformative projects such as remote service.

We shall explore these questions in the subsequent two phases of this study. However, at first glance, this appears to be an area where service organizations can secure relatively simple, quick wins.

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