

Identifying Compound Interest in Your Field Service Workflow

How to attain best-in-class profitability by optimizing seemingly minor tasks

Honeywell Scanning & Mobility

Executive Summary

When asked what he thought the most powerful force in the universe was, Albert Einstein once replied, “Compound interest!” This paper will demonstrate how compounding even small improvements in workers’ routines translates into huge profits. A field service workforce can attain best-in-class profitability by seeking out and optimizing seemingly minor tasks throughout a field worker’s day that are repeated over and over again, compounding not only throughout that worker’s day, but across all the workers in the organization. The optimization of those repeated tasks will lead to gains in field worker utilization and first time fix rate, which, according to Aberdeen Research¹, continue to be the key indicators of how well a service organization is running.

According to a recent Aberdeen report¹, best-in-class service organizations are achieving 74% field worker utilization as opposed to 60% for average companies and only 48% utilization for the poorest performing companies. In addition, best-in-class companies also lead in first visit fix rates of 90% versus only 71% for average companies.

Cutting cost while increasing revenue is a familiar refrain in long-standing stable areas of an enterprise. In the rapidly-evolving area of field service, where enhanced technology has exploded the potential paths to improvement, solving the puzzle can be overwhelming, leading some organizations to focus on a single “easy win” that may play well in the boardroom while leaving significant money on the table. For example, a recent seminar by McKinsey & Company at a Worldwide Business Research Field Service conference revealed that 90% of enterprise investment in GPS fails to show return on investment (ROI). This is an indicator of companies focusing on one seemingly apparent need (mapping) without understanding how the tool used for that need would fit into a worker’s daily routine.

According to Aberdeen¹ the key to improving worker utilization and ultimately efficiency is to “equip field technicians with mobile computers.” Moving from handling paper forms in the field to using mobile computers will raise productivity over 23%. But what if you have already been using mobile computers for years and still need to cut costs and increase revenues even more?

The key to improving efficiency and revenue simultaneously can be found in focusing on your worker’s daily routine – the little things each field worker does repeatedly throughout each and every day. Small improvements in a worker’s routine multiplied over time add up to big savings and big revenue. In the same way a leaking faucet wastes

¹ Dutta, Sumair, and Aly Pinder, Jr. Field Service 2011: Mobility and the Extension of the Service Enterprise. Rep. Aberdeen Group, 2011.

gallons of water each day drip by drip, a minute saved in one task or a minute gained in another add up to big revenue improvements.

By themselves, these saved minutes seem insignificant, but when multiplied by the number of workers you have and repeated multiple times a day every day, gains become substantial very quickly.

What are some examples of tasks that commonly “leak” seconds or minutes from your workers’ average day?

- stocking the truck
- handling a work order
- navigating to the job site
- diagnosing the problem
- determining the solution
- finding parts
- making a repair
- completing the “paperwork”
- collecting payment

Finding ways to optimize each of these steps moves a worker to the next step faster and can lead to accumulated time each day for an additional call. Mobile computers and the software they run today have the ability to greatly improve your processes by empowering the field worker with greater visibility to make smarter, faster decisions, by allowing the worker to complete a task more quickly and efficiently, and by improving the overall service experience

for your customers. The problem is that many companies choose mobile technology to solve only one or two big issues like paperwork reduction or work order management.

As mentioned earlier, eliminating off paper in the field can generate huge improvements, but unless the mobility solution addresses other bottlenecks in the system, the company will plateau and be at a loss to find incremental improvements. The remainder of this paper is dedicated to showing how a more capable mobile computer can be used to save enough time in a worker’s routine to achieve that most coveted jewel, “one more customer each day.”

The answer lies in choosing both computing hardware and software capable of providing the field worker with time-saving features/tools in multiple areas of their routine, to increase their productivity repeatedly throughout their day:

M2M Diagnostics

If the technician’s mobile computer can be used to more quickly diagnose the customer’s problem through direct machine-2-machine (M2M) diagnostics, those time savings get multiplied by each visit throughout the day and across all technicians. When taking a car in for service it is very likely the first thing a technician will do is connect a computer to the car’s onboard diagnostic system. Today, everything from air conditioners to dishwashers come from the factory with built-in diagnostic ports. This feature alone can cut diagnostic time in half.

Potential Time Savers	Estimated Time Savings
GPS navigation to avoid wrong turns	5 minutes
Mobile computer in the hand versus in the truck (walk time savings)	5 minutes
Machine-2-machine diagnostics	10 minutes
On screen schematics and parts lookup	5 minutes
Barcode parts tracking	4 minutes
Capturing photos with touch screen captured notes	5 minutes
Real time credit card processing	2 minutes
Total savings	36 minutes

GPS Navigation and Route Mapping

Providing a workforce with GPS based turn-by-turn navigation to job sites minimizes wrong turns, saving valuable time. The simplest wrong turn can cost a worker 3 or 4 minutes, and the longer the wrong turn goes undetected, the steeper the recovery time.

Inventory Management

Something as simple as reading barcodes on the parts that are put into and taken out of the truck can save massive amounts of wasted time by eliminating the need to look for parts that are not there or drive back to get parts that are already on the truck. Hand-writing the parts that are used on a service call is a huge time leak.

Example company savings

Anytown Heating & Air has 50 field workers completing an average of 5.5 customer calls per day, which generate \$300 in revenue per call. If Anytown's CEO, Joe Boyd, could realize just half of the time improvements listed above he would see the following results:

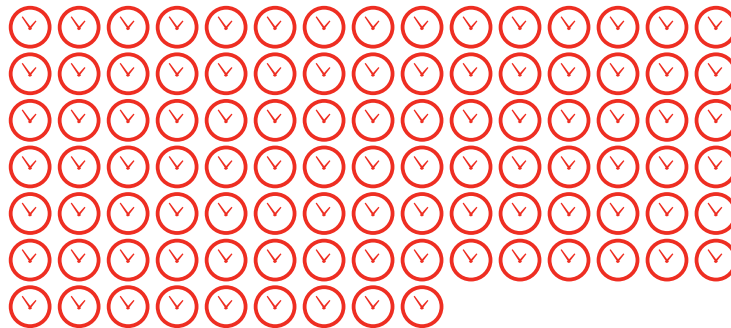
18 minutes saved per call



x 5.5 customer calls per day



99 minutes freed up per day per worker



Since the average customer call takes 87 minutes, there is clearly enough time for each field worker to make one more customer call per day which generates the following revenue improvements:

**1 more customer call per day
x 50 workers**



**50 more customer calls per day
= 250 more customer calls
per week**



= \$75,000 more revenue per week or \$3.9M more per year

Payment Processing

Credit card processing is another big time waster, if not automated. Your field worker should be able to complete that transaction just as quickly as pay-at-the-pump gas stations, in seconds and not minutes. Picking up the phone to process payment wastes the worker's time, not to mention the customer's time.

The most fascinating thing about these revenue improvements is that they come without adding more people or more vehicles. The key to these improvements are more capable field computers that can provide time-saving features to improve more areas of repeated work flow.

According to VDC Research, the primary buying criteria for mobile computers is price. It seems obvious that this would be important, but in the example above, even if Joe spent \$10,000 on each mobile computer, that would still mean he invested \$500,000 to make an additional \$3.9M in just the first year. Wall Street would consider you a genius for achieving such as brilliant ROI in such a short amount of time.

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About Honeywell

Honeywell Scanning & Mobility, a leading manufacturer of high-performance image- and laser-based data collection hardware, delivers the latest functionality to meet customer demands.

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Takeaways

- Look at the small repeated steps in your process for the big multipliers. The little savings multiplied by people and time will add up to big savings.
- Translate those time savings into income-producing activities. This translation is where the worker utilization factor is derived, and is the ultimate goal of automation. This may require incentives to your workers to get that “one more customer” per day. Again, those incentive costs will be small compared with the revenue payback, and are only paid after higher revenue has been realized.
- Don't choose a mobile computer with limited functionality because
 1. It meets your target price or
 2. It can only address the big problem you can see today.

Technology should enable improved processes. Consider hardware and software with an eye on the future, and what next steps would truly optimize the workflow of your field workers, rather than just achieve a single goal. A good metaphor for this scenario is a Swiss army knife, because it can deliver new tools down the road, when greater improvements are needed.

Best-in-class organizations understand these rules and focus on the little things to achieve the level of success they have. Don't underestimate the power of small improvements compounded over time.

