



10 Ways to Stop Service Revenue Leakage

By CSDP



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There's always so much focus about doing more with less. Driving new revenue opportunities while cutting costs. It seems like an impossible feat, but once you look at it in a different light, it might become as simple as fixing a pipe that's leaking revenue. How can you expect to increase profits while your money is literally going out the door?

Read on for some common service problems companies are having and mistakes they've made, as well as for ways you can fix your revenue leakage by increasing efficiencies and driving more revenues.

1. We've fixed something that was out of warranty and didn't get paid for it because the technician didn't have accurate or up-to-date warranty information.

Solution: We work with a lot of companies that have warranty, contract, and other entitlement data in multiple systems that are not connected. This is one of the biggest sources of revenue leakage for many organizations. The key is connecting those systems or using a service lifecycle management solution that uses entitlements as the foundation of the system. With the proper contract information readily available, service staff can recognize out-of-contract and out-of-warranty circumstances and sell the client the needed services. For more information, read our white paper [A Unique Approach to Service Entitlement](#).

2. We are unable to deliver proactive service based on customer and service information.

Solution: Wouldn't it be nice to be there before you're needed? This helps increase customer satisfaction and improves your bottom line. Analytics can help here by utilizing information gained from companies with the same products or profiles. For example, say several companies experience a breakage with a certain component of a machine after a certain amount of time has passed or the usage has reached a certain number of cycles. You know this component is expensive to replace, but that it can be repaired much more cost effectively before it reaches maximum longevity and/or usage. Therefore, you can make sure you have aggressive preventative maintenance and proactively service all the companies who have that machine with the component in question before it needs to be replaced. Careful data analysis and proper use of your service lifecycle management software can uncover trends and ways to differentiate your service.



3. Our service technicians often don't have the right parts on hand to make repairs.

Solution: Did you know that parts planning/optimization accounts for 69% of the service supply chain? Or that 36% of service companies say that parts planning/optimization is the portion of the service supply chain that requires the most improvement? Clearly, based on these findings from Aberdeen Group's research report, *Optimizing the Service Supply Chain*, you're not alone. You need to be able to track the repair process from start to finish, as well as give your service team real-time visibility into the location and status of each product or service part, among other things.

What enables you to do this? Parts planning software, parts inventory tracking, and order planning software. This ensures that you always have the correct parts on hand in order to be fully prepared to make repairs at all times. If the service requires a part that the closest technician is without, then you should be able to route a different technician with the correct part to handle the call so that the issue is resolved the first time around. With an integrated service lifecycle management software solution, you can arm your field team with the proper parts solution as well as a mobility solution to not only ensure that technicians with the right skill set are properly dispatched the first time with the right information and parts but also give field service technicians real-time access to critical service data 24x7 and allow them to complete transactions while on-site.

4. We've noticed a decrease in customer satisfaction due to incomplete details on support cases, solutions, warranties, etc.

Solution: It's no secret that customer satisfaction increases customer loyalty, which in turn boosts revenue potential by 3x, according to the Technology Services Industry Association (TSIA). TSIA also points out that 84% of customers who leave do so because of poor service. Customers want fast and accurate service, and if you're unable to provide that for them because of incomplete details on support cases, solutions, warranties, etc., they're likely to leave you for your competitor. This is another example of why a single, unified view of all customer and service delivery operations is critical. You need to have full insight into every aspect of service and support, including warranties, entitlement, contracts, knowledge management, depot repair, scheduling, and more. You can read more about this in our article in Field Technologies magazine: [A Single View of Customer and Service Operations](#).



5. We have had scheduling conflicts due to inaccurate and outdated views of dispatch operations.

Solution: Believe it or not, according to the *Mobile Field Service Report* by the Aberdeen Group, there are companies who are still “relying on pen and paper and back-and-forth phone-based communication to get service work done.” Not only is this inefficient and time-consuming, the fact that papers are physically being pushed increases the likelihood that the content is outdated, inaccurate, or gets misplaced. Mobile field service solutions give you a real-time view into where your service agents are, what parts they have, and what parts they need to complete a job.

Dispatch software tracks service technicians' time, parts, and expenses and gives you automatic alerts and notifications. In addition, you always have real-time and accurate views of dispatch operations to prevent service dispatch conflicts and you can assign multiple service people to a job when necessary.

6. We've noticed inefficiencies in our service operations.

Solution: It sounds like it's time to assess your business processes. Business process mapping (BPM) is a tool that can help align goals and objectives, develop more efficient and effective processes, improve key support metrics, and ensure success for new technology projects. We have a series of blogs written about this if you want more detailed information on the [4 steps involved](#) in business process mapping. The [first step in business process mapping](#) is process identification. It's best to look at processes from a customer's perspective and develop a customer scorecard to keep customers at the forefront of your processes. Then, you're ready for [step two: conduct process interviews and review any existing documentation](#) to gather information on and have a full understanding of 8 areas in your service lifecycle management operations. These areas are responsibilities, objectives, activities, inputs, outputs, customers, risks & controls, and KPIs. Once this is done, you can move on to the [third step, which is interviewing and mapping](#)—where your goal is to break down each process into the individual steps being performed and document actual work being done from the people doing the work (rather than what is supposed to be done). The [final step is analysis](#), where you rethink, reconfigure, re-sequence, relocate, reduce, reassign, and retool your processes in order to be as optimized and streamlined as possible. Our final blog in this series outlines how to build a business case for a business process mapping project. You can read more about CSDP's business process mapping assessment [here](#).



7. We aren't agile enough to quickly respond to changes in our business and processes.

Solution: If you've mapped and updated your business processes as recommended in number 6 above and you're still having problems in this area, your software could be holding you back. What you need is an on-demand work flow tool that allows you to make business process changes "on the fly" to instantly respond to business and environmental changes as they happen. [Watch this video](#) to see an example.

8. We've missed contract renewal dates which negatively impacts revenues and customer satisfaction.

Solution: If you're using multiple, disconnected systems as we mentioned above, you're not only losing revenue, but also negatively impacting your customer satisfaction. Tying the systems together is just the first step. You then need to put safeguards in place to be notified when a contract is due and then take action on that notification. Or better yet, utilize service lifecycle management software that will alert you when contracts are due for review (and will continue to escalate if a new contract is not submitted) or can send automatic invoices based on renewal dates, so your service organization will never miss a contract up for review or renewal again.

9. We lack the ability to generate new revenue opportunities (cross-sell and up-sell) each time a field technician goes on-site.

Solution: Your field technicians are often the closest relationship you have with your customers. They can effectively augment your sales staff by cross-selling and up-selling, but this relies greatly upon training. This training is crucial and cannot be stressed enough. Your technicians should not only know what products correlate with each other (field service software can help with that, as noted below), but also when to extend those offers. It's often not as easy as "sell product D when you fix product A." Knowing the right moment to sell a product requires a soft skill that should be taught before your technicians make it out into the field.

Once in the field, your technicians need to have access to your field service software while on-site in order to know the customer's products and services purchase history. Armed with this information, technicians can do things like identify recurring service issues and recommend replacements or upgrades. Ideally, you should take it a step further by setting up what-if scenarios so that if a customer has product A, then an alert will pop up for the technician to discuss corollary product B. Or when a technician resolves certain issues, an alert is sent to the sales/account manager about an up-sell opportunity. HTML 5 has leveled the playing field for mobile solutions allowing them to be accessed across multiple mobile devices and platforms, including iOS, Android, and Windows. Mobile field service solutions can now offer unparalleled access to critical customer and service data.



10. Our field technicians and call agents have to log into multiple systems to get the customer and service information they need.

Solution: We're probably sounding like a broken record here, but we can't emphasize enough the importance of tying all your customer and service data together. If you're not in a position to deploy a seamless service lifecycle management solution and you need a specific point solution, or need to integrate point solutions, a cloud-based middleware solution can help you. This type of solution unites your internal and external data, processes, and technology. For more information, read our white paper, [Defining the Seamlessly Connected Enterprise: A guide to uniting processes and technology](#).

Next Steps

Are you leaking revenue and not sure where to start after reading all this information? CSDP offers a [Revenue Leakage Assessment](#) to evaluate your service and entitlement processes to determine where you have gaps in your process and are losing revenue. One of the key end-result benefits of this assessment is providing recommendations to close the gaps in your service processes as well as showing the impact and transformation that new processes and systems can have on your organization as redundancy in systems and personnel are minimized and customer interactions are maximized.



About CSDP

CSDP is a services-led software company with solutions that can automate the entire post-sale service delivery and customer service process. We offer:

- An On-Demand Work Flow solution allowing you to make changes 'on the fly' and instantly respond to business and environmental changes as they happen
- Flexible solutions that are tailored to your unique business requirements, instead of trying to force fit out-of-the-box solutions
- A single, unified view of all customer and service delivery operations
- Implementation in weeks - not months

Our clients have realized improved customer satisfaction by up to 15 points, increases in service profitability exceeding 10%, decreased average cost per repair of 50% and increases in first call resolution greater than 20%. We not only help our clients drive down operating and service delivery costs, but enable them to drive up customer satisfaction and increase service revenue and market share.

The Service Relationship Management (SRM)[®] product suite addresses the complete end-to-end service delivery lifecycle including Contact Center, Dispatch/Mobile, Depot Repair, Inventory Control & Management, Knowledge Management, Marketing and Quote Generation, Warranty Entitlement, Training, Contracts/Billing, Reports, Scheduling, and Time Tracking. Our software is fully customized to fit your company's needs and easily integrates with your existing infrastructure so that it implements quickly and begins generating ROI immediately.

CSDP's SRM[®] software solution has been delivered to some of the world's foremost Fortune 500 companies to include IBM, Xerox, Fujitsu, Whirlpool, Rockwell and PSE&G just to name a few.

To learn more about CSDP, visit our [website](#), follow our [blog](#) and join the [Service Relationship Management Group](#) on [LinkedIn](#).

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