

Field service: What utilities can learn from telcos



Interview with **Jeff Melton**, partner and leader in Bain & Company's Global Service Operations practice

Utilities seeking ways to improve their field service operations can learn from the experiences of high-performing telcos (companies with fixed-line networks, including traditional telephony and cable but not wireless-only players). In both industries, field service crews install, maintain and replace core infrastructure, and the work can involve everything from small one-man jobs to large teams working on month-long or even year-long projects. Here Bain Partner Jeff Melton shares some of the best practices among telcos that have achieved substantial improvements in their field service operations.

How comparable are telco and utility field forces? Can utilities learn from telcos?

Melton: In general, telcos aren't particularly mature in regard to field-force optimization, but there are exceptions where telcos have achieved high performance levels in productivity, quality and customer experience. Utilities can learn a lot from those high performers. As we look at field service improvements, it's important to remember that both telcos and utilities usually have multiple field service organizations with different characteristics. Many of the lessons utilities can learn from telcos apply generally, but some are highly specific to work type.

Volume reduction—that is, reducing “avoidable” jobs—significantly improves field service effectiveness and productivity. How have the best telcos actually achieved this?

Melton: Telcos have many different solutions for reducing “avoidable” jobs depending on the origin of the problem. For example, a well-designed service chain can eliminate unnecessary truck rolls through more effective resolution over the phone, or even simply through greater order accuracy—for example, making sure the dispatcher actually sends trucks to the correct address.

Contact centers, therefore, play a key role in volume reduction. Separating contact centers from the field workforce often creates unnecessary work and delays resolution. Many companies do this by centralizing all customer service functions into a single contact center organization.

Often the same contact center organization that is selling services to customers and answering questions about bills is also taking calls from people reporting faults and field-related issues. Each of these areas is very different and involves very different functions, yet they are often done by the same organization, and a single executive is responsible for the overall performance of the contact center.

That creates some real challenges for a field force, because in a typical contact center environment, there isn't usually sufficient emphasis on resolving problems on the phone. Instead, a rep says, "Oh, you're calling to report a fault? Let me send someone out to take a look."

The rep's performance might, for example, be measured based on the number of calls he handles in an hour and not on how quickly issues are fully resolved. It costs \$5 to take the call, but then \$100 to roll the truck. Somewhere around 20 percent of the calls might involve issues that can be resolved on the first phone call, and many more might be resolved by a remote resolution specialist. But often that doesn't happen because contact center metrics and field service metrics are different. To solve the problem, some telcos have integrated their relevant contact centers with their field forces to create a single-service chain organization—even if the reps sit in one centralized contact center building—so they can resolve as many issues over the phone as possible.

“Performance culture”—getting the most from your employees—is a key area that is often addressed in field service redesigns. What have you learned from your telco clients about how best to drive strong performance?

Melton: To improve performance culture, you have to design consequences—mostly positive—that reinforce the behaviors you want—and prevent the behaviors that you don't want. So you have to remove barriers to performance of those desired behaviors. For example, if you want your field service technicians to get to jobs on time, it makes sense to put GPS systems in their trucks. If you want them to get jobs done more quickly, it makes sense to provide them with the right tools—and providing new tools now and then doesn't hurt either! Removing barriers to performance is crucially important, because a performance culture almost never develops in a low-trust environment.

Good employees will hold themselves accountable for their own performance, but to encourage that sort of behavior, it needs to be immediately clear to them whether they've done a good job or not. One telco put in place a system whereby field technicians were measured on both productivity and service. The day after a job, the technician got a text message saying how he performed. It was crystal clear to him how he did, every single day.

Unfortunately, many field organizations still operate with systems in which job feedback only arrives much later—days, weeks or even months after a job is actually completed. That is something I refer to as the problem of “low velocity.” A system with low velocity doesn't help employees learn, because they lose the context of the feedback.

Ideally, if you're trying to improve performance, you want to change one variable at a time and then measure the result right away. But if you're operating in a low-velocity world, that's almost impossible to do. If you can see what's happening every day or every hour, you can try out a lot of different ideas and learn much faster.

Planning and dispatch is another key area where utilities can improve their field service. What has worked best for telcos in this area?

Melton: Companies like Click Software have developed tools that offer tremendous planning and scheduling capabilities. But even telcos and utilities that have the software often don't take full advantage of its functionality. As one of our clients said, "We've bought a nuclear reactor, and we're using it to strike a match!"

The most effective planning and scheduling I've seen tends to be designed by people who are experts in both technology and the business. By contrast, when systems are designed by pure IT specialists who don't really understand much about telco or utility business processes, the systems often can't perform basic, necessary functions.

What are some of the keys to ensuring that a field service improvement effort is really effective?

Melton: One of the most important things for a company to get right is performance plans—by that I mean both the metrics that measure work product and the incentives that encourage exceptional performance. It seems obvious, but ironically most individual performance plans do not actually match the needs of the business.

Let's look again at a contact center example. Say the CEO sets customer happiness as the No. 1 goal for the business, but the head of the fault contact center is measured on how quickly reps answer calls and on how much cost he can take out of the business. In a case like this, the needs of the business and the metrics on which an individual is rewarded are actually in conflict.

Another important thing to get right is making sure management has the information it needs to make decisions when it needs to make those decisions. Velocity again. One way some high-performing telcos have achieved that is to get same-day or next-day visibility of how each technician and team is doing on timeliness, repeat jobs, idle time and so on. With fast and plentiful information like that, it is a lot easier to see where or when performance is lagging and, therefore, problems are much easier to fix.

One of the reasons field service redesigns fail to deliver significant or lasting results is that companies make many small, independent process changes without linking these together as a systemwide, integrated solution. How have successful telco field organizations avoided that problem?

Melton: One of the most common problems I see is that companies often make changes without having a proper control in place, and they often change several things at one time. As a result, they never really know what effect the individual changes have.

Management also needs to agree on one to three "catalyzing metrics" that are easy to understand, crucial to the business and applicable to everyone from top to bottom. A company might track 45 individual metrics, but "catalyzing metrics" are the 1 to 3 that really matter and to which everyone pays attention. These metrics can be nearly anything, as long as they lend themselves to the concept of velocity discussed above. They should be easy to measure in real time (or close to real time).

A classic example of an effective “catalyzing metric” is Net Promoter® score, or NPS®. It is derived from a simple survey that asks customers “Would you recommend our company to a friend or colleague?” on a score of 0 to 10. It is calculated by taking the percentage of “Promoters” (people giving a score of 9 or 10) less the percentage of “Detractors” (people giving a score of 0 to 6). (People who give scores of 7 or 8 are called “Passives” and are excluded from the equation.) This “net” percentage is a company’s Net Promoter score and is an excellent measure of how happy customers are with the company. (See www.netpromotersystem.com for more information.)

NPS is a great “catalyzing metric” for many companies because it is simple, easy to understand and gives a clear picture of customers’ happiness. It is also relatively easy to measure—customers can be asked the question at the end of every phone call. That allows for constant and rapid feedback, so the company always knows where it stands and how it is performing.

Do you have any other key recommendations for how to get field service operations to full potential?

Melton: Beware the “Tyranny of the ‘Or.’” For example, many executives assume they have to choose between lower cost and good service, or between lower cost and happy employees. Sometimes there really are tradeoffs, but much more often, good management using the high-velocity approach I’ve described can accomplish both goals. Indeed, happier employees are more cheerful and efficient, which results in loyal customers and better financial results.

When management works to remove barriers to performance, that builds trust and helps employees deliver on their primary accountabilities. Employees like to work in an environment of trust. They trust management to reward hard work, to invest in their development and to care about their well-being. Little things like taking care of equipment and providing good quality tools make field service technicians feel valued. When they feel valued, they tend to work harder, to be friendlier to customers, to help out their colleagues more. All this is a virtuous circle. In the end, it boils down to the Golden Rule: If management treats employees the way they would like to be treated in their shoes, everyone wins.

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