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# Five Surprises That Could Derail Service Excellence (and How to Avoid Them)

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In the world of service maintenance, with so many moving parts required to work together in synchronicity to meet service excellence that meets the expectations of customers and internal stakeholders, the one thing every seasoned field service manager will attest to is that we don't want unnecessary surprises.

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In a complex workflow where the precision of logistics, unwavering customer satisfaction, and the rigor of operational efficiency are intertwined in a delicate balance, certainty in core aspects of the service operation offers a foundation upon which we can build exceptional service delivery. This certainty allows for the balance necessary to enable a service operation to thrive, avoiding the pitfalls of delays, waning customer trust, and the financial strain that can accompany service misadventures.

Field service leadership is a role where, each day, we face new challenges, new fires to fight, and a host of variables that can throw out careful planning at any point across the shift. So, eliminating the potential for unnecessary surprises should be high on your list as a field service manager.

In this paper, we will explore five key areas of the service operation chain where unnecessary surprises could await you and how to avoid them.

These are:

- The strategic availability of parts
- The articulation of clear pricing structures
- The definitive understanding of coverage
- The assurance of service quality
- The detailed management of stock inventory

Each of these components is vital to the success of your service operation. Interruptions in parts availability can derail maintenance schedules, while unexpected pricing can undermine customer confidence.

Ambiguities in service coverage can lead to revenue leakage, and deficiencies in service quality can incite a recurring cycle of issues, diminishing service credibility. Finally, the complex dynamics of stock management across a field service operation are essential to manage with clear visibility, as they underpin all of the above.

So what surprises in each of these areas could be waiting in your service operation, and more importantly, how can you avoid them?

## Parts Availability



The availability of the correct parts at the precise moment a service task is undertaken is the cornerstone of an efficient maintenance operation. The ability to swiftly access necessary components ensures the continuity of service and fortifies the trust customers place in the reliability of a service provider. In an ideal scenario, every required part would be at arm's reach; however, the reality of inventory costs and logistical constraints necessitates a more strategic approach.

To optimize inventory, service organizations must harness robust data analytics to predict part demand accurately. These analytics could involve historical usage patterns, seasonality, and predictive models that consider current trends and machine learning forecasts. By aligning inventory levels with these predictive insights, service providers can significantly improve the likelihood of having the right parts available when needed without incurring the excessive costs of overstocking.



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Moreover, a dynamic inventory management system can be developed, which allows for real-time tracking and automated reordering processes that trigger when stock levels dip below predetermined thresholds. This ensures a continuous replenishment cycle that can adapt to changing demand without human intervention. The implications of improved parts availability are profound. When parts are readily available, service expectations transform radically. The narrative changes from if a repair can be completed to when—with the “when” moving from weeks to days, even to hours.

Of course, the result of such efficiency in the parts supply chain is ultimately the reduction of downtime associated with maintenance being drastically reduced,

thus increasing operational productivity for the customer. A service organization that can promise and deliver rapid turnaround times stands out even in a competitive market, fostering loyalty and establishing a reputation for reliability and efficiency.

## Pricing Transparency



Navigating the choppy waters of pricing within service maintenance demands a keen eye for balance; it is an act that requires a careful balance between the cost of service, parts and consumables, and customer satisfaction. Pricing discrepancies, where there is a significant gap between expected and actual costs, can quickly erode a customer’s trust in a service provider. The shock of an unexpectedly high bill can

sour the customer experience, potentially damaging the relationship and deterring future business. It's a psychological blow as much as a financial one—customers feel most at ease when costs are predictable and justified, and there are no surprises when the invoice arrives.

Of course, the other side of the same coin is that the equilibrium between profitability and perceived value is delicate. Service providers must ensure they are adequately compensated for their expertise and the quality of parts provided—this is especially important in terms of parts sales, which can often account for approximately 80% of service revenue.

Yet, it is also essential that prices remain competitive enough to engender customer loyalty and that they do not venture into realms that customers might deem exorbitant. This perceived value is subjective yet critical; it is the customer's measure of the service's worth. If the value does not align with the price, customers may question the service provider's integrity and seek alternatives in the future.

Service organizations should consider upfront and clear communication about costs to foster pricing transparency. Implementing a policy of no hidden fees reassures customers and builds trust. Additionally, providing a comparison of their pricing with market rates can demonstrate fairness and justify the service provider's value proposition.

Another critical aspect often overlooked is educating customers on factors contributing to service costs, which also nurtures an environment of understanding and transparency. Explaining why certain parts cost more due to quality or longevity considerations can align customer expectations with pricing realities. Furthermore, implementing a feedback loop where customers can express their views on pricing after service completion can help service providers adjust their pricing strategies to meet customer expectations better and maintain a reputation for fairness and transparency.



# Coverage Clarity



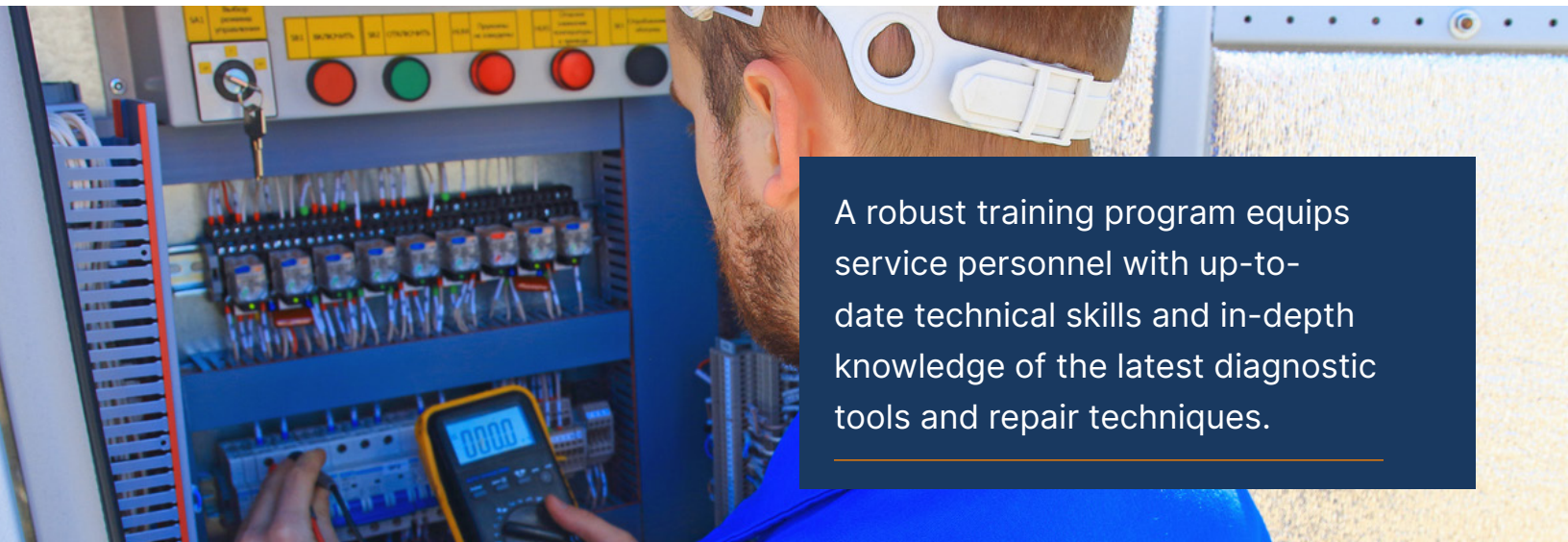
Detailed warranty and service contract entitlements often pose a daunting challenge to customers, who may find themselves lost amidst the fine print and jargon. Perhaps even more worryingly, this confusion can also occur on the service provider side—one of the most prevalent causes of revenue leakage our industry faces.

Ultimately, such dual-faceted confusion will lead to a dissonance between what customers believe is covered and what falls within the parameters of their service agreement. Such misunderstandings can precipitate service delays and unexpected financial burdens as customers confront costs they assumed they were protected against.

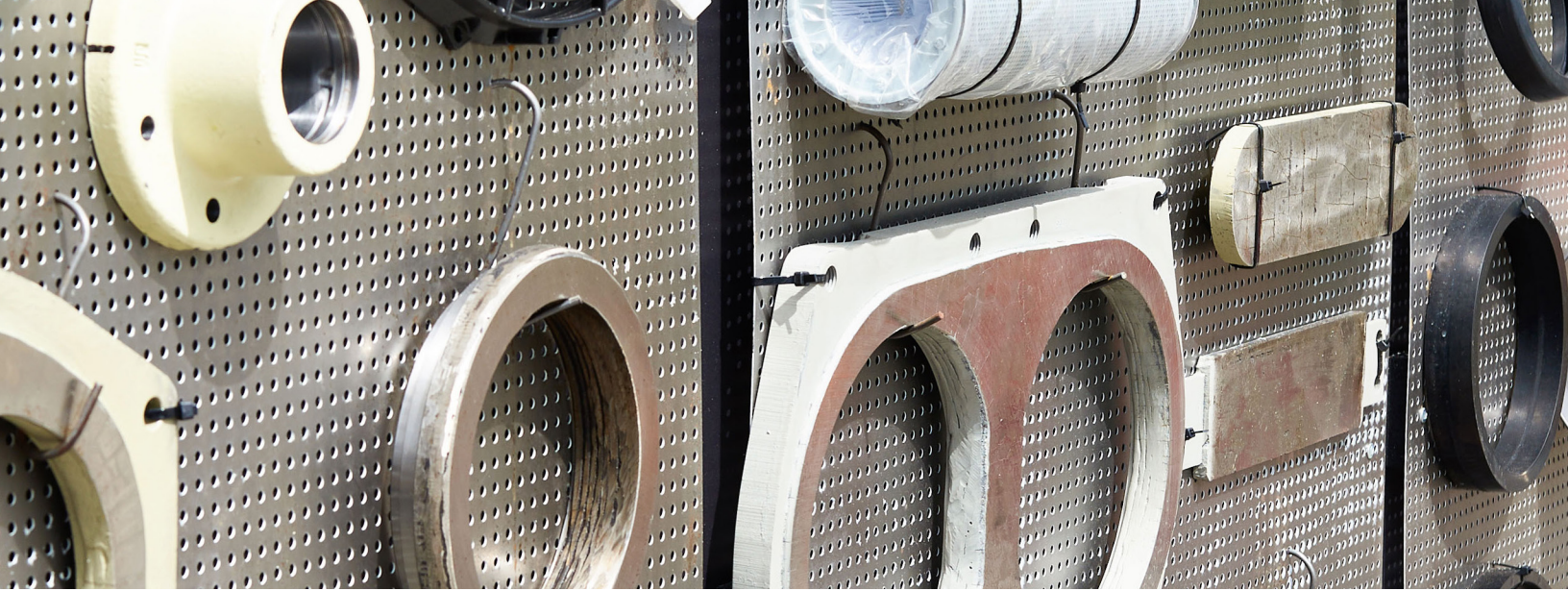
From a customer's perspective, the discovery that service needs are not covered under warranty or that the coverage is less comprehensive than anticipated can be a significant source of frustration and financial

strain. The situation is exacerbated when such revelations occur during the service process—when the customer is already dealing with the inconvenience of maintenance issues. This scenario often leaves customers feeling vulnerable and possibly exploited, which can tarnish the service provider's reputation. Alternatively, the field service technician completes the maintenance to appease the customer, meaning both lost revenue and unaccounted costs for the service organization.

To overcome these issues, transparency must be at the forefront of the service provider's ethos. Clarity can be enhanced through simplified contract language that avoids technical jargon and clearly outlines what is covered, under what circumstances, and for how long. Interactive digital tools, such as customer portals with tailored service contract details, can empower customers by giving them direct access to their entitlements in an understandable format.



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The claims process should also be streamlined to facilitate swift and efficient processing. This can be achieved by employing automated systems that immediately recognize coverage limits and process claims accordingly, thereby minimizing the turnaround time. Training customer service representatives in the back office and service technicians in the field to navigate the complexities of warranties and service contracts can also ensure that customers receive accurate information promptly. By investing in these solutions, service organizations enhance the clarity of coverage and foster a more trusting and enduring relationship with their customers.

## Service Accuracy and Quality



Mean time to failure (MTTF) and the return of a problem post-service are glaring indicators of a gap in service accuracy and quality, leading to a detrimental cycle of repairs that can severely undermine customer confidence and see spiraling service operations costs.

When a customer returns with the same issue they thought was resolved, it not only signals a failure in the repair but also casts doubt on the service provider's competence and reliability. This recurring problem scenario is a pain point for customers, resulting in increased downtime, additional costs, and the hassle of repeated service visits. For the service provider, such situations are a clear reminder of the adage that "on the first truck roll you break even, and every time after, you are losing money."

The cornerstone of preventing such service failures lies in enhancing service knowledge and continuously training technicians. A robust training program equips service personnel with up-to-date technical skills and in-depth knowledge of the latest diagnostic tools and repair techniques. Moreover, regular training ensures that technicians are adept at identifying the root cause of issues rather than just addressing symptoms, which is crucial for preventing recurring problems.

An emphasis on first-time fix rates as a KPI is critical, as it is a direct measure of service accuracy and efficiency. A high first-time fix rate indicates that



technicians are diagnosing issues correctly and applying the right solutions, thereby reducing the likelihood of repeat issues. Investing in advanced diagnostic tools and technology can help technicians achieve higher accuracy in their work.

Furthermore, when reverse logistics and bench-service operations are included within the overarching service operations, quality control processes must be implemented to verify that each service is performed to the highest standard before a customer's equipment is returned. These processes not only catch potential recurrent issues before they leave the service center but also reinforce a culture of quality and attention to detail among technicians.

The benefits of prioritizing service accuracy and quality are, of course, manifold.

Not only does it enhance customer satisfaction by ensuring their issues are resolved correctly the first time, but it also improves overall service efficiency by reducing the frequency of repeat visits and thus benefitting the bottom line of the service P&L.

## Stock Management



Effective stock management, particularly concerning technicians' trunk or van stock, is a multifaceted challenge that plays a pivotal role in service maintenance operations. Yet, it is also a notoriously hard nut to crack.

Often, the lack of visibility into such parts forms a vast black hole in a service organization's P&L sheet, and yet, often as a legacy of the service operation running as a cost center, service organizations with highly sophisticated service systems used for other aspects of service management, such as scheduling tools and apps to boost field technician productivity, remain blind to such losses.

In the modern era of field service operations, this really is an unforgivable oversight, yet it is one that remains prevalent across the sector.

Technicians need a reliable system that ensures they carry essential parts to avoid the costly back-and-forth that delays services. Yet, carrying too much stock





can lead to inefficiencies and increased costs due to overstocking, obsolete inventory, and the complex task of managing these resources.

The complexities of managing transient parts stock are compounded when the customer makes a return and wrong part ordering enters the equation. Returns are often subject to a manual inspection process that can be both time-consuming and error-prone, potentially leading to incorrect restocking, delays in parts availability for other customers, and a bloated inventory that obscures the true demand for various parts. These issues can cause a ripple effect of inefficiency throughout the service organization.

To overcome these challenges, a robust reverse logistics program is essential. Such a program would provide clear protocols and efficient tools for processing returns, from the initial acceptance of the returned item to its inspection, restocking, or disposal.

By leveraging technology such as barcode scanners and inventory management software designed for purpose, service organizations can expedite inspection, reduce errors, and maintain real-time visibility over stock levels.

In addition, implementing predictive analytics can aid in forecasting the ebb and flow of parts usage and returns, adjusting trunk stock accordingly. This proactive approach can minimize the need for manual adjustments and ensure that technicians have the right parts at the right time, enhancing service readiness and response times.

It should also be noted that an effective reverse logistics program is not just a back-end operational improvement; it has front-line implications that can significantly enhance customer satisfaction by ensuring quick, accurate service. By addressing the complexities of stock management with strategic foresight and

technological aid, service organizations can turn a potential area of frustration into a seamless aspect of their operational excellence.

In summary, it becomes evident that the linchpins of service maintenance—parts availability, pricing transparency, coverage clarity, service accuracy, and efficient stock management—are not mere operational components but the essence of a thriving service organization. It is upon these that we can build the foundations of service excellence and, as such, five key areas where consistency is crucial.

Indeed, minimizing potential surprises lurking beneath the surface in any of these areas and meeting these challenges head-on is not a choice but a necessity for service providers seeking to excel. Only through a

holistic approach, integrating advanced analytics for inventory optimization, clear communication for pricing, and rigorous training for impeccable service delivery, can a service organization truly refine its operations.

This paper has laid out a simple blueprint for service organizations to transform key operational challenges into stepping stones toward excellence. It maps out a clear area of direction for service organizations across the three equal parts of the service operation: people, process, and technology.

By embracing a comprehensive strategy that weaves technological innovation with a deep understanding of customer needs and operational bandwidth, service providers can enhance their overall delivery, ensuring they remain competitive while growing revenue and profits.



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