



# FIELD SERVICE TRANSFORMATION:

## A Firsthand Approach to Solving Common Business Challenges

Field services are an integral part of many industries. The ways in which these services are delivered have evolved at an accelerated pace in recent years, affecting frontline workers and users. Yet parts of the industry continue to face shared challenges, while further opportunities for service improvement and productivity remain.

The Covid-19 lockdowns and ensuing business and industrial disruptions emphasized the importance of field service, which refers to any service provided to clients or customers outside company premises. These operations, which could range from general maintenance and inspection services to facility management and traffic management solutions, directly represent the business, with each interaction influencing the customer's perception about the quality of service.

While the increased adoption of big data analytics, remote work and artificial intelligence (AI) tools are transforming the workplace, they cannot fully replace the essential hands-on work that field services still provide. This is fundamentally a "people business."

At Alvarez & Marsal (A&M), we are often called into situations both pre- and post-deal to advise and transform field-based services for our clients. While most clients understand the necessity for high-quality and profitable field services, it is extremely hard to get it right, given the dimensions ranging from managing client demand to geographical presence, skill and workforce management perspectives. Critical to the process of identifying improvements is understanding the complexity of the tasks and activities required, as well as local nuances and working across the entire value chain.

In this article, we will discuss the typical challenges encountered by businesses when it comes to field services and how they can be addressed. We recently worked on a client case in engineering services, which exemplified many of the common themes we come across in field-service related industries.



### Common Client Challenges

We routinely see demanding situations at businesses, where several processes have not been adequately managed or conflicts between departments have been left unresolved and simmered over time. Outlined below are challenges that typically arise in fast-growth and ramp-up scenarios, when management focus has prioritized business development over managing fundamentals and structural processes.



While these may be evident to an outside observer, operational management is often pre-occupied with daily issues on hand. An external assessment triggered by, say, the due diligence process of an investor (pre-deal), or by a business transformation program (post-deal) is a typical entry point for A&M. Here are some themes to look out for:



### Imbalance between sales demand and resource capacity

Technicians tend to often be clustered around major metropolitan areas, yet services are sold across a wide area, including remote locations. Demand where there is constrained faculty (and vice versa) is a cost.



### Variable commercial performance across regions

Unless sales teams are managed, demand is generated from unfavorable territories at less-than-ideal times, putting more stress into the system. Also consider which areas require a local presence, and which can be covered by a central inside sales team.



### Over-zealous salesforce

Sales teams may commit to services and timelines beyond what can be delivered, and at prices below agreed margin thresholds.



### High stress levels

Planning and scheduling of certain scarce technical resources can require elevated levels of scheduling effort, resulting in greater need for conflict management and increased stress on personnel.



### Varying qualification

Varying skill levels among individual technicians and limited visibility on who is qualified to do what, resulting in clarification efforts and risking service quality.



### Long travel times

Poor planning and imbalance of capacity and demand requires technicians to travel longer distances to the worksite. Longer travel time reduces value-add (the time during which the technician is delivering the customer service) and revenue contribution. Unless cost-to-serve is reflected in pricing, job profitability is at risk.



### Fluctuation, absence and tough recruitment conditions

Field services can be a rewarding yet stressful job, at times involving remote work. Unless working conditions are attractive, including the right tools and vehicles, skilled personnel will easily migrate towards more attractive roles, often with less travel.



### Availability of material and spare parts required for the service tasks

Warehouses and depots are often centralized, thus service technicians must spend time traveling there to pick up the spare parts, whereas their value-adding activity is at the customer location.


Due to one or more of these challenges, employees lose motivation, service quality suffers and profitability slides downward. While some challenges are common in nature, every situation is unique and influencing factors will differ, which means thorough fact-finding is always needed to confirm the optimal solution for each client case.



## A&M's Approach

At its core, field service is a people-oriented business. It is about skilled people providing customers a physical service that cannot be delivered remotely or automated. While advising businesses on field services, we have observed that personnel often work far away from headquarters and have little contact with other colleagues. Ensuring field service staff stay engaged, motivated and are treated with respect is not just responsible business practice but crucial to keeping customers happy and profitability growing. Our approach emphasizes the personal, both through formal interactions and coaching from supervisors, combined with more informal exchanges with peers and learning. The following are key considerations for businesses on field service transformation.

Ensure in-depth understanding of challenges by analyzing all available data across geographies, client bases, field force teams, skill levels and services provided, and examining key processes such as those related to planning and scheduling:

<div>Commercial</div> 	<div>Delivery</div> 	<div>People</div> 
<ul style="list-style-type: none"> <li>■ Review and revise low-margin contracts and negotiate better service-level agreements (SLAs) responding to actual customer needs and pricing them appropriately to increase margins and quality.</li> <li>■ Inform customers openly and early on service changes or schedule adjustments.</li> </ul>	<ul style="list-style-type: none"> <li>■ Assure service delivery quality to secure revenue recognition and cash flow.</li> <li>■ Optimize area allocation and enable flexibility in allocation of tasks and activities among technicians by use of skill matrices and geography.</li> <li>■ Stabilize planning by putting in place clear guidelines, governance and monitoring of planning and adherence daily, resulting in reduced stress for the field force.</li> <li>■ Increase digital support: mobile devices and standards for easy and fast documentation and information on each customer site</li> <li>■ Improve material availability, for example through delivery of parts directly to the customer, nearby location or to the technician's home address.</li> </ul>	<ul style="list-style-type: none"> <li>■ Build trust and engagement among the workforce and management team by being on the ground and understanding their concerns.</li> <li>■ Discuss genuine issues openly with leadership, sharing facts and addressing accountability, while also producing practical, hands-on solutions.</li> <li>■ Develop skill and certification matrices and actively work to fulfil future demand and manage workforce optimization and service delivery quality.</li> <li>■ Strengthen the supervisory structures, providing effective leadership and care for the frontline workforce and invest in personal development.</li> <li>■ Develop clear ownership and accountability for each identified improvement action.</li> <li>■ Communicate openly to the workforce on current performance and progress against improvement actions.</li> </ul>





## How A&M can help

A&M's team of senior advisors provide rapid assessments to either identify the so-called red flags in your business or perform a thorough on-site diagnostic "deep dive" if there are more structural issues. Based on the assessment we can provide hands-on planning and implementation support with small teams of seasoned operators. This ranges from support on specific functions such as planning and resource management all the way up to stepping in as interim manager with immediate effect to steer performance.

## Conclusion

Field service teams provide essential and direct benefits to customers that cannot be fully substituted by AI or remote work yet. Service providers therefore have a duty of care to provide the right structure and support for field-service personnel who often work in challenging conditions. Productivity and profitability can only be enhanced and sustained once the fundamentals of operations have been set up. With the right tools and catalysts, field services can be transformed in a way that refines resources and processes, while maximizing inter-departmental collaboration and improving conditions for a company's most valuable asset – its people.

## CONTACTS



**Jessika van Veen**  
Managing Director

[jveen@alvarezandmarsal.com](mailto:jveen@alvarezandmarsal.com)



**Roswitha Terteza**  
Managing Director

[rterteza@alvarezandmarsal.com](mailto:rterteza@alvarezandmarsal.com)



**Alex Krause**  
Director

[akrause@alvarezandmarsal.com](mailto:akrause@alvarezandmarsal.com)



**Maximilian Brundobler**  
Director

[mbrundobler@alvarezandmarsal.com](mailto:mbrundobler@alvarezandmarsal.com)

## ABOUT ALVAREZ & MARSAL

Companies, investors, and government entities around the world turn to Alvarez & Marsal (A&M) for leadership, action and results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services. When conventional approaches are not enough to create transformation and drive change, clients seek our deep expertise and ability to deliver practical solutions to their unique problems.

With over 10,000 people providing services across six continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.

Follow A&M on:



© Copyright 2024 Alvarez & Marsal Holdings, LLC.  
All Rights Reserved.

To learn more, visit [AlvarezandMarsal.com](https://www.alvarezandmarsal.com).

FIELD SERVICE TRANSFORMATION:  
A FIRSTHAND APPROACH TO SOLVING COMMON BUSINESS CHALLENGES

**ALVAREZ & MARSAL**  
LEADERSHIP. ACTION. RESULTS.™