Real-time field service KPIs to master

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A real-world example

This is a real-life field service challenge that presented itself to a utilities field service organization recently. A tree had fallen on power lines, disrupting service. Consider the graphic below:

Field service experience

Visit	Arrived	Challenge	Result	Customer
1		Fallen tree	Service not restored, had to wait for tree removal	
2		No bucket truck	Service not restored, had to wait for bucket truck	
3		No fiber optic splicer	Service not restored, had to wait for right tools	
4		All resources OK	Service finally restored	

Totals

2 🚐 2 🚛 8 👷 4 👤 🕐🕐🕐🕐🕐🕐🕐🕐 **$4,000 plus**

The first time technicians were dispatched, the tree had to be removed. Service could not be restored. The second time out, there was no bucket truck. The third time out? No fiber optic splicer. It took until the fourth visit for all resources to be OK. As you can see along the bottom of the graphic, the total resources added up to over $4,000. Had the issue been resolved the first time out, the FSO could have saved a great deal of money.

This sequence speaks to the issue of KPIs, or key performance indicators. You need to know what is happening in the field, track your FSO real-time, and understand what factors are driving growth, success, and overall revenue. This gives you insight into what factors need to be adjusted in order to drive those aspects so that events like the one mentioned above do not occur.

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First things first

Before we run through the eight essential field service KPIs, it is important that you:

•**Set up your organization's goals:** The ideal way to do this is to determine big goals for your FSO by making these SMART goals, defined as Specific, Measurable, Achievable, Realistic, and Time-bound. Then, assign metrics to those goals. The metrics that can answer the key question of "Did we achieve our goal?" are, in essence, your KPIs. The important aspect to remember here is that organizational goals, and how they are tracked, should be driving the priority management through your FSO. By that, we mean who does what every day. People should not be working on projects that are not tied to goals. That is unproductive, although it happens in many FSOs because logistical day-to-day demands can overwhelm strategy. If you have a high-performing FSO, chances are your goals align with metrics, and the goals and metrics drive the priorities of each day, week, and month.

•**Understand the importance of data and analytics:** Almost every organization, in field service and beyond, is trying to compete on data right now. In order to successfully do that, you need to understand what the data is saying and how it can benefit your FSO. This eBook is about real-time field service KPIs.This is not intended to create the idea that you constantly have to track and evaluate KPIs. We know you have other work to do. What we mean by 'real-time' here is that it is important to track, analyze, and adjust aspects of your operations based on what you are seeing from KPIs. If you set up KPIs and report on them periodically but never change any action, that is not effective. For KPIs to be meaningful to your FSO, they have to ultimately drive decision-making. You'll see some examples of that below.

Hopefully by now you understand why KPIs are important. Now let us look at the essential field service KPIs.

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KPI #1: First-time fix rate

First-time fix rate is one of the most important KPIs in all of field service. It refers to the percentage of times you fix a client issue in the first visit. Essentially, this is important because it ties directly back to customer experience. If you go to a client job site, and you cannot solve the problem the first time, the client will be frustrated. Maybe the technician has to go run and get a part, or has to run and get the right invoicing information, or whatever the reason may be. For some of your clients, an additional hour of downtime for their broken machines can mean millions of dollars in revenue potentially lost. They want the problem solved ASAP. If it is not, they will become frustrated. They certainly will not refer you, and they may switch to another FSO. You need to keep first-time fix rate high in order to keep customer satisfaction high. Your customers drive your growth, so this KPI is crucial.

Usually FSOs with a bad first-time fix rate have poor communication between different aspects of their business. Examples include dispatch and scheduling or inventory management and dispatch. You need to get everyone on the same page and operating from the same playbook. Typically, the easiest way to do this is with an FSM solution, although installing effective processes and reinforcing them consistently can also work.

KPI #2: Extra quotes or orders by agent

This is sometimes called 'up-selling,' and it refers to the number of extra orders that technicians are taking when already on-site with a customer or client. This is important because, in reality, your technicians are some of your best marketing and sales people. You can put an ad in a trade magazine, and it might generate a few new leads, but a technician on-site explaining different options to a client is much more powerful. It is an indicator of real-time problem solving, which time-pressed individuals (your clients) tend to value. If a group of technicians is low on this KPI (meaning they are not generating a lot of extra quotes or orders), it is an indication that you can help them with their selling skills.

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KPI #3: Percentage of billable hours
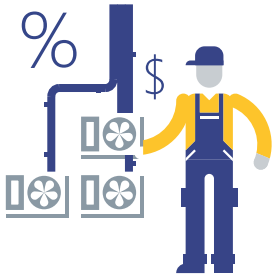
This is an important financial metric. Percentage of billable hours is a measure of productivity because it refers to the percentage of time your technicians are doing work, which is directly billable to a client. If you have a time-tracking capability (which many FSM solutions can provide), you can drill down this KPI further and figure out where the non-billable hours are going. The most productive technicians are the ones that shift non-billable hours into billable hours at the greatest rate. As more and more of your technicians shift over to a larger percentage of billable hours, your FSO as a whole will be more productive. Phrased another way: you should be making more money.

KPI #4: Number of work requests

This essentially refers to how much work your FSO is doing, or at least the number of requests you are receiving. If you break this KPI down by types of request, you can get a better idea of your workflow and where you are generating the most revenue. If there are types of services you are not getting requests for, you can consider how to position your FSO better to capture that work. Oftentimes, an FSO will aggressively market itself as fixing one type of machine, and then get virtually no work requests for that machine. In such a case, marketing ROI is super low. You come to understand that by looking at your number of work requests.

KPI #5: Number of overtime hours

While this can include a little bit of internal policing, it is an important KPI. You want technicians doing more billable hours -- but you do not necessarily want them doing a lot of overtime because that can be a cost to your operation. You want to see where overtime hours are falling and talk to any technicians that are working a good deal of overtime. It is not necessarily a question of reprimanding them for doing that, but it is a KPI designed to help manage costs.

KPI #6: Customer retention

Customer acquisition is usually fairly expensive because of marketing costs, time, and resources needed to add new clients. But customer retention, which is going to be tied to many of the KPIs above, does not really cost you anything except doing a good job consistently (which you should be aiming to do anyway), and the rewards can be massive. Retained customers are referral engines, and referrals drive new business, which fosters growth for your FSO. Track customer retention. If it dips below 80% -- that is, if fewer than 4 in every 5 customers are staying with you -- it might be time to refocus on the experience and service you are providing.

KPI #7: Employee retention

Customer retention is crucial to your bottom line, yes, but employee retention is a good measure of how functional your organization is in terms of leadership, managers, and processes. If you have a huge rate of turnover ('churn') among your technicians, you should begin evaluating what is causing them to leave. Is there a bad manager in that department? Are the processes hindering them instead of enabling them to be more productive? Is communication causing them to run all over the city all day completing only one or two jobs? Employee retention is an internal mirror KPI that has a revenue tie, too. Every time you lose a technician, an investment of time, money, and resources is needed to replace that person and train the new hire - all of which can cause a loss in productivity while the new technician gets up to speed on processes and routing within your FSO. If you are constantly replacing technicians or back-office employees, you are losing a lot of institutional knowledge. Some of that may end up with competitors (very bad), but even if it does not, it still needs to be replaced -- and that all represents costs.

KPI #8: Completed vs. invoiced jobs

This crucial financial KPI can tell you how drastically you might need some type of FSM software or invoice automation tool. The KPI refers to just what you would expect: how many jobs have been completed (meaning the service is done and the machine or part is fixed) but not yet invoiced? You normally cannot get paid for a job without invoicing the job, so this KPI plays directly to your revenue stream. If you have a huge percentage of completed jobs without an invoice, it is probably time to invest in a software suite or a different approach to billing and accounts payable.

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Additional KPIs

There are dozens of KPIs to choose from when running a field service organization. Some others in the customer experience category include average resolution time, while some cost-oriented ones include cost per product, total service revenue, and cost per technician. We are always available to help you determine what KPIs will be most effective for your business needs.

Dashboards

One of the best aspects of using field service management software is that you can easily access dashboards and real-time reports on any of these KPIs. You can see the data presented visually, and you can sort it in various ways relative to how the decision-makers of your FSO want to see it. Dashboards and reports in real-time have revolutionized some of field service management because now it is much easier for executives to pull up exactly what they need, reorganize the data according to how they understand it best, and then use it to drive future action. Real-time information is also much more effective than the traditional path of waiting for data to be collected by a specific team, analyzed by another team, presented to the executives by a third team, and then finally getting an executive decision. Agility is a major key to business today -- it is part of how you win local market share -- so utilizing KPI dashboards and reporting is crucial.

Hopefully this list of eight KPIs is a good start for your organization if you are newer to field service analytics and KPI consideration. If you would like to learn more about specific concerns you have relative to your company, we would welcome the opportunity.

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Contact us for more information
on how we can help you.

Schedule a demo →

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