

FIRST-TIME FIX: A METRIC THAT DRIVES SUCCESS

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Report Highlights

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The #1 reason for customer complaints in regard to field service is that the technician was not able to resolve the issue.

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Enhancing the customer experience and driving profitable growth are goals impacted by improved first-time fix rates.

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Service organizations that excel in first-time fix are often led by a CSO.

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High first-time fix rates are a leading indicator for customer satisfaction and revenue.

This report explores the impact that first-time fix rates have on the customer experience and profitability for service organizations and manufacturers.

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The customer wants the service organization to help their business thrive and ensure that the equipment remains productive.

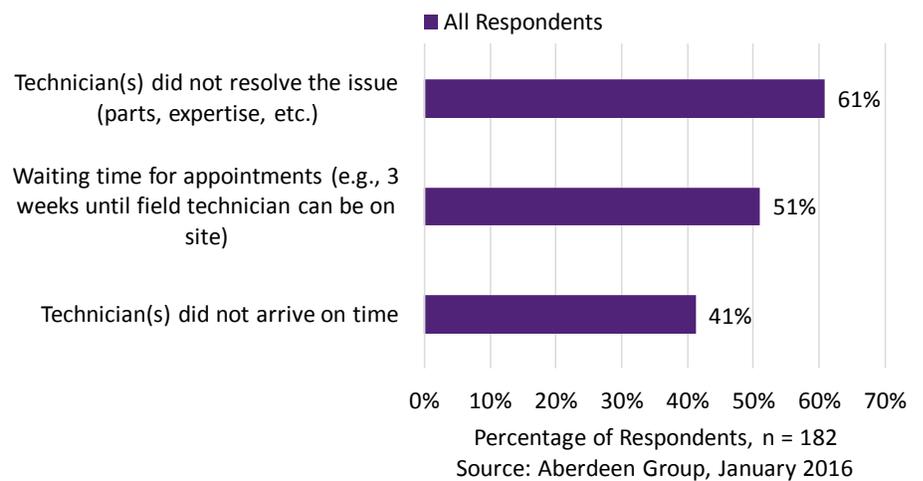
The cost of a failed service visit is greater than the dollar amount associated with a secondary truck roll. Customer expectations have greatly evolved from the days when meeting an SLA or a schedule window was good enough to keep the customer happy. After all, many companies deal with assets and equipment that are mission critical to the customer’s business and downtime is not acceptable. As seen in Aberdeen Group’s recent [State of Service Management in 2016: Empower the Data-Driven CSO](#) (March 2016), competition and heightened customer demands have made it imperative that service deliver value on each and every service visit, not merely show up when a customer calls.

Resolution is the New Metric of Success

The service promise that customers hold organizations to isn’t too lofty: help the customer’s business thrive by ensuring that the equipment and assets under contract remain productive. Is that too much to ask?

➔ [Read the full report, “State of Service Management in 2016: Empower the Data-Driven CSO”](#)

Figure 1: Why Do Customers Complain?



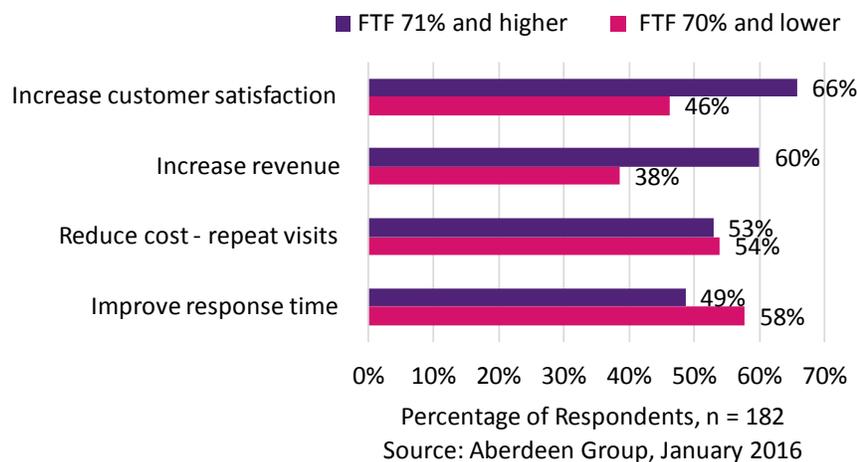
As seen in the Figure 1, the primary reason that customers complain about the service organization involves their inability

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to resolve an issue. Historically, scheduling and meeting appointment windows were the paramount measure of success. But given an environment rife with competition and the evolution of customer expectations, showing up isn't good enough. Service organizations need to ensure that the technician that gets on site with the customer has the parts, the skills, and the information to solve the problem, on that first visit. Failure is not an option. A secondary truck roll will have the unintended result of a lost customer.

Service organizations must provide value to customers and issue resolution is the way to do that. For organizations that have high first-time fix rates, increasing both customer satisfaction and profitability are the main concern (Figure 2). Internal metrics are of secondary concern.

Figure 2: The Goal of Field Service



Response times, for example, are obviously important. Customers want to know when an issue will be addressed. But a response by a contact center agent or even a technician without

Definition:

First-Time Fix (FTF) refers to the resolution of a work order / customer issue on the first service visit. Any repeat visit, secondary truck roll or service call cannot be for the same issue.

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The field team must take the vision from the CSO and use the tools provided to execute on a daily basis and in every interaction with a customer.

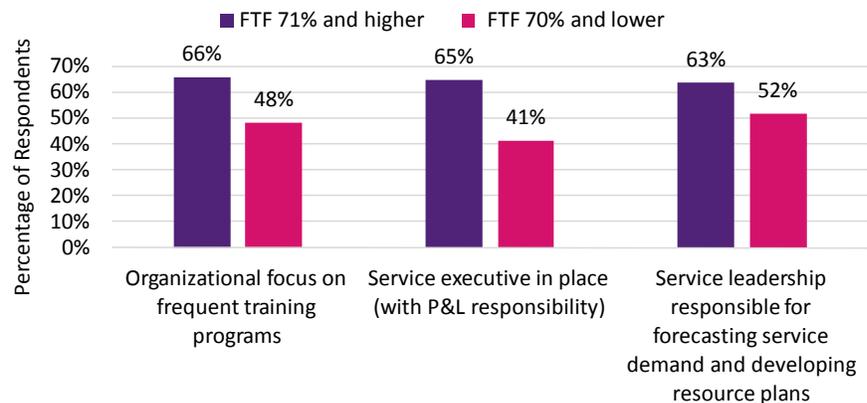
Definition:

CSO refers to the highest ranking service executive or Chief Service Officer in charge of leading strategy for the service organization (i.e., field service, spare parts).

a subsequent fix is not addressing the part of the equation that the customer truly cares about.

Changing strategic priorities takes real, engaged leadership. And as it turns out, organizations that outperform on first-time fix rates are more likely to have a service leader in place who is responsible for the strategy of the business and who takes ownership for resource planning (Figure 3). The resource piece is key because the entire field team needs a vision to follow and the tools to carry out that vision. Not surprisingly, top performers focus both on ensuring that the entire organization values service execution and is also trained on how to get it done.

Figure 3: First-Time Fix Starts at the Top



n = 182

Source: Aberdeen Group, January 2016

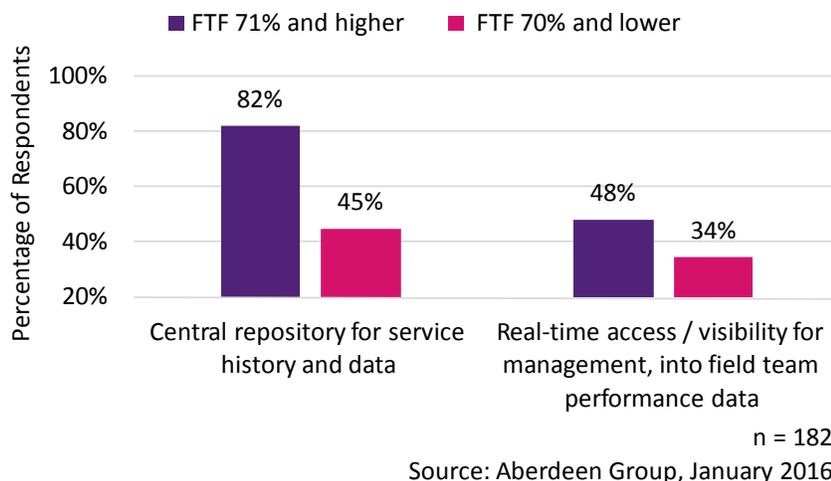
But leadership alone will not drive the behaviors or execution needed to deliver high first-time fix rates or create satisfied customers. The field team must take the vision from the CSO and use the tools provided to execute on a daily basis. This demands buy-in and engagement, because no matter how much strategy or investment is allocated, if the field doesn't believe in the role they play failure is inevitable.

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Aberdeen Group's [*The Mobile Technician: The Evolution of the Connection in 2015*](#) (July 2015) highlighted how top performers equipped their field teams with mobile tools allowing them to better diagnose and resolve services issues. These mobile tools not only helped field teams excel, they also enabled field teams to capture useful insights that could be leveraged by internal teams to inform decisions helping drive customer value.

➔ [Related Research](#)
 "The Mobile Technician: The Evolution of the Connection in 2015"

Figure 4: The Insights to Drive Higher First-Time Fix Rates



As seen above, organizations that excel at fixing issues the first time need access to real-time insights and a technology infrastructure for the storage and rapid dissemination of critical intelligence. Quickly finding the information needed to solve problems is integral to field support.

Leading Indicator of Success in 2016

Efficiently resolving complex issues leads to a whole lot more for the customer and the service organization. If a technician can find the answer to the problem on a first visit and resolve a

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customer issue, a number of other puzzle pieces fall into place (Table 1).

Table 1: First-Time Fix is a Leading Indicator to Success

Key Performance Indicators	First-time Fix Rate >	First-time Fix Rate
	70%	<= 70%
Customer retention rate	86%	76%
SLA compliance rate	85%	74%
Serviceable asset uptime	84%	71%
Customer satisfaction rate	85%	66%
Annual change in service revenue	4% improvement	No change
Annual change in serviceable asset uptime	1% improvement	2% decline

Source: Aberdeen Group, January 2016

Not only are current customer relationships dependent on the field team resolving issues the first time. Future revenue opportunities are influenced by how well the service organization solves problems today. Why would any customer come back to a service organization that can't get the job done? First-time fix rates play an important role in setting up the next sale, both in renewed contracts and referral business. Therefore, the future viability of the service organization depends on fixing issues the first time, and CSOs need to ensure they invest in the right technologies and equip the service team with the insights necessary to solve customer issues the first time.

A Metric Which Customers Care About

Excellence in the eyes of the customer is a moving target. In this era of mission critical service needs, the field team has to deliver resolution, not excuses. Top performing organizations have

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equipped their field teams with the required tools to deliver on this promise.

- ➔ **Invest in mobile tools to enable faster answers and real-time insights for the field team.** Resolution in 2016 demands that the technician has the information to solve complex issues which they may have never encountered before. Mobility allows the field team to have access to information and resources in real-time and even solve problems that may not have been in the work order, but that help deliver value to the customer.
- ➔ **Empower the field team to stay with a customer until the job is done right.** A technician should not leave a customer until resolution is attained. Too often in the past a technician had an incentive to turn more wrenches, but not necessarily ensure the customer got their issue resolved.
- ➔ **Redefine service success customer-centric terms.** Customers don't really care if the service organization makes money; they have contracted service to keep their assets up and running. The service team must be measured on the success of the end customer and not their own ability to meet SLAs.

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For more information on this or other research topics, please visit www.berdeen.com.

Related Research

[*State of Service Management in 2016: Empower the Data-Driven CSO*](#); March 2016

[*Field Service Knowledge Management: The Link Between Service Efficiency and Excellence*](#);
February 2016

[*Field Service Excellence Depends on an Integrated Approach*](#); January 2016

[*See the Future of Field Service in 3D*](#); August 2015

[*The Mobile Technician: The Evolution of the Connection in 2015*](#); July 2015

[*Field Service Workforce Management: Empower Tech 3.0*](#); May 2015

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