

5 WAYS

SERVICE MANAGEMENT TECH TOOLS HELP GROW BUSINESS

And How to Avoid Buyers' Remorse

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Rick Mauer remembers the days before service management software and technology tools all too well. Along with unreliable faxes, there were four-part, hand-written forms that had to be either mailed or dropped off at the office. And good luck being able to read or find them. “We were buried in paperwork,” recalls Mauer, general manager of Thermal Concepts Inc. “At one point, we had \$3.5 million in outstanding bills. It was a nightmare.”

That nightmare began to end when Thermal Concepts moved to a service management technology solution. “It allowed us to finally start moving documents around electronically and that meant nothing got lost anymore and everything went through a process that could be tracked,” Mauer says with relief.

Today, with ubiquitous mobile devices, the technology Thermal Concepts adopted has become even more streamlined and efficient. Typically, service management software and mobile tech solutions entail scheduling, paperless billing, tracking and analytics. Those tools are key for service management companies and divisions, which are often handling hundreds of smaller jobs and “managing chaos.”





WHY SERVICE?

For many specialty contractors that specialize in electrical, plumbing or HVAC work, new construction and renovations—while lucrative—are just part of their business. Maintaining regular service contracts to provide maintenance, repairs or replacement of installed systems is how these contractors maintain business when new construction projects are thin.

And more and more contractors are willing to take on the challenge of adding regular service and maintenance to their roster as a way to smooth out construction cash flow peaks and valleys—and keep employees. That's because service divisions maintain year-round work while allowing companies to share labor across construction and service departments.

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SCOTT HEGRENES, SENIOR PRODUCT MANAGER, VIEWPOINT

“Specialty contractors realize that service is an excellent way to act as a stabilizer and a growth driver,” said Scott Hegrenes, senior product manager with Viewpoint. “There’s a lot of money to be made in maintaining the things contractors build—and it’s growing.”

Hegrenes points to three key trends fueling this service boom:

1. Owners are more interested in maintaining buildings and the systems within them long term.
2. Energy efficiency is becoming more important as costs climb.
3. Contractors are realizing they don’t have to go through bidding wars with service contracts as they do with construction projects.

Hegrenes says that as many as 70 percent of mechanical contractors have a service arm and about 50 percent of electrical contractors. But like Thermal Concepts, they quickly discover that in order to keep their clients happy and stay profitable they need a service management tech solution.

70%

*of mechanical contractors
have a service arm*

50%

*of electrical contractors
have a service arm*



WHY SERVICE MANAGEMENT TECHNOLOGY IS VITAL

Why are technology solutions so crucial to service contractors' success? Here's a short list of key reasons:



Cash flow: Unlike construction, service is a high-volume business that often requires outlays of cash. As such, cash flow becomes crucial to success. "You could be the most profitable, best-performing service contractor, and if you have cash flow issues it can put you out of business because you're working off your own money," says Hegrenes.



Managed chaos: Service work is often quickly planned and unstructured, so, it can become difficult to manage without technology tools to help ascertain how efficiently work is being done. "There are a lot of variables on the service side that make it very difficult to manage," Hegrenes said. "It's almost like managed chaos."



No more paper: Using a paper trail and handwritten work orders are recipes for inefficiency, inconsistency and cash-flow problems. Tech tools eliminate all those issues with simple systems that allow same-day invoicing and billing along with key insight and analysis into the work being done and how profitable that work is.



More comfort with mobile and less costly tech: As younger workers familiar with mobile and tablet use enter the workforce, it's becoming easier to incorporate mobile tech solutions—and have them utilized appropriately. "Getting service techs to adopt the technology has always been a challenge, but a lot of young people entering the workforce are driving that tech," Hegrenes says. And just like other technology, the cost of service management tools has become more affordable with each passing year."

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5 BENEFITS OF SERVICE MANAGEMENT TECHNOLOGY



1

BETTER BUSINESS INSIGHT

When juggling multiple projects and scores of regular service calls and commitments, it can be hard to know how your service business is really performing—and which techs are pulling their weight. Tech solutions provide:

- Key performance indicators that are customizable based on the business needs.
- Real-time data with the ability to drill down into costs and profits.
- The ability to predict how much labor will be needed so businesses don't under or over hire.

“You need to have a single analytics tool that gives you a clear picture and key metrics,” Hegrenes said. “That way, when some part of the business starts performing badly, you can drill down in the data and fix it.”

2

STREAMLINED DISPATCH AND WORK ORDER PROCESSES

Without the right technology, setting up work orders, getting technicians to the site and managing the work in the field can become a logistical nightmare involving phone calls, emails, voicemails and endless waiting. Using software and mobile applications streamlines these processes. As a result:

- Businesses can use fewer dispatchers to manage more techs. For example, Mauer said he'd need at least two additional employees to dispatch without software to automate and simplify technician scheduling and management.
- Technicians get routed more efficiently because they can look at their mobile devices on the go to see a map and see where their next job is, their scheduled times, and pertinent notes about the job.

- Technicians can electronically let dispatchers know their status—arrived, working, etc.— throughout the process.
- Technicians become more efficient. Mauer estimates his techs are at least 20 percent more efficient using technology solutions to aid their jobs than working without them.

"Historically, for every two vans, you had to add another person in the office," Hegrenes says. "But with these new tools that offer better scheduling, data analytics and mobile applications for cutting out paperwork, now I can put five to 10 vans in the field without having to add to my back office."



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RICK MAUER, GENERAL MANAGER OF THERMAL CONCEPTS INC.

3

SERVICE TECHNICIANS WORKING AS THEIR OWN FIELD MANAGERS

Giving service technicians the latest technology tools helps them become more proficient—and further grow business. That’s because modern service management solutions connect the field with the office. This means technicians no longer have to play the role of data administrator and perform a series of manual processes to input data back in the office. Mobile solutions can streamline the data and workflows, syncing with the office instantly. This means:

- Technicians are able to concentrate on the work they were trained for.
- Better collaboration and data management is gained between the field and the office.

- When technicians determine additional work is needed, they’re able to access data, provide quick estimates, and keep both work and the sales process moving smoothly.
- Customer satisfaction improves as work is done quickly and correctly the first time, while the ability to collect electronic signatures for work orders or payments in the field makes for a smooth process for everyone involved.
- Technicians become more invested in the contractor’s success and can actively work to create new business opportunities

“They’re now participating in what it takes to make money for the company other than just fixing an air conditioner,” Mauer said.



4

IMPROVE EFFICIENCIES AND DECREASE COSTS

One of the biggest benefits of service management technology tools is the ability to go paperless. Dropping the burden of paper and the often-unreadable handwriting that accompanies it, frees up time that can be spent pleasing clients or acquiring new job opportunities. But beyond the paperless benefits, a technology solution also creates a set of repeatable and verifiable business actions. As a result:

- Cash flow is less of an issue as jobs can be invoiced on the spot with the push of a button, and the contractor can get paid faster.
- Contractors can grow without growing labor costs. “All of a sudden, you can add service without having to add to your back office,” Hegrenes says.
- Training new employees becomes easier because the business has a standard way of operating based on the technology protocols.

“It’s connected all the different functions and it has integrated everything,” Mauer says. “Now we have managers able to move from the field into the office and out into the field again. Anyone in the chain of the service department can know where things are and get the information they need.”

5

IMPROVED CUSTOMER SATISFACTION

Excellent customer service is the life-blood of any service division. That's because service needs to build on itself in order to grow organically—and profitably. The best way to ensure growth is through unparalleled customer satisfaction. Service management technology aids customer service in the following ways:

- **Providing immediate answers:** When's the last time that chiller or heater was serviced and what was done? With the right service management technology in place, the answers can be immediately accessible with a few keystrokes. Need a copy of an invoice? No problem, it'll be emailed to you immediately.
- **Eliminating problem customers:** No matter how much you try, some customers are just never happy, or they are late with payments. With

service management software, it's easy to see which customers are worth keeping and which ones it's time to let go.

- **Turn technicians into sales people:** Using technology, it's easy to make sure the same techs get paired with the same customers. That not only gives the techs familiarity with the mechanicals, it also gives them familiarity with the customer. That way, when the tech recommends additional service work, the customer is more likely to sign on the dotted line.

"It's a much better sale when a tech makes a sale," Mauer says. "Trust is what sells anything. If someone trusts you, they'll buy from you. Simple as that."



CHOOSING A TECHNOLOGY SOLUTION

These days, service companies have a lot of options when it comes to choosing a service management technology solution. Before you decide which company to partner with for your technology tools, ask the following questions to avoid buyers' remorse:

- **Is the technology scalable?** For technology to be worthwhile it needs to be able to grow with your company. Look for a partner with a proven track record for that kind of growth. Are they continually investing in their product and adapting it to the latest technology available? If not, you could be working with out-of-date technology in short order. "Our software is no longer a roadblock to our growth," said Dave Wright, executive vice president and CFO of Hunter-Davisson Inc., noting how moving to a vendor that does consistently update its technology has freed his company up to drive new business.

- **Is the software customizable?** Being able to customize software can be the difference between it being useful and just plain frustrating. For example, Wright needed a particular check box on a form so he could run a report on it. His new service management software allowed him that flexibility. That customization "has huge implications," he says.
- **How well do the different technology tools integrate with each other?** Service management technology solutions can vary in terms of the functionality they provide. To get the most out of these tools it's crucial that they integrate with each other. Or, look for one all-inclusive solution that addresses all functionality needs. Otherwise, you'll be left with siloed data that can't give the business insights you need to properly manage and grow.

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- **What kind of support does the partner offer?** Technology tools are only as good as the company behind them—and the training that's available to help employees understand them. Look for a partner with solid training materials both in person and online as well as top-notch customer service.

CONCLUSION

Service is an increasingly important—and profitable—part of many contracting companies' business. But many businesses quickly discover the futility of trying to manually manage the volume of work service demands. The answer for a growing number of service divisions is implementing the right technology to automate, streamline and grow the organization. These tools eliminate manual processes and paperwork, replacing them with a digital solution that yields better business insight, operational efficiency, employee retention and customer satisfaction.

"I don't know how a service company could operate a service business without operating a service management tool. You're just going to get to a point where it's not doable anymore," Wright says. "Our software has allowed us to grow. It's really a no brainer."





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