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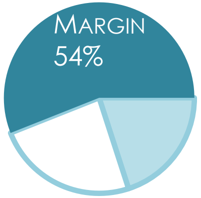
2017 Leadership Benchmark

Early Results

Value

TSC

1



Benchmark your performance in key functional and strategic areas via an Assessment available post-Benchmark Survey.

2

Access **research data** tied to your research group and more. The data will also be presented through the lens of those with the top performance metrics

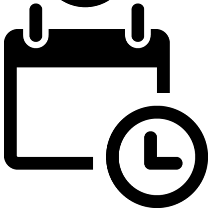
3

Review **content and insight** from our analyst team

4

Connect with a **community** of like minded professionals and TSC-Recognized Subject Matter Experts

5



Attend **events** for overall knowledge or Specific to your area of interest

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L Leadership and Strategy

S Safety

P Parts

W Workforce & Talent

C Customer Experience

F Field Service

D Data

T Technology

SM Sales and Marketing

TSC 2017

TSC Research Groups (Service Councils)

Note: Research Topics might overlap across research groups.

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2017

Service Strategy and Leadership

– Early Results (35 Organizations)

S

About Survey
Early 2017 (Still Live)

- 35 respondents
  - *By Revenue*
    - *<$100m – 20%*
    - *$100m-$1b – 48%*
    - *$1b+ - 32%*
  - *Regional Focus (Survey):*
    - *North America – 79%*
    - *Global – 18%*
  - *Industries*
    - *Healthcare/Medical*
    - *Industrial Equipment*
    - *Government/Public Sector*
    - *Food/Beverage*

Planned Output

- April-May 2017 (at 50 results)

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2017

About the Project

TSC-L

2017

Looking into 2017

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CUSTOMER MANAGEMENT AND EXPERIENCE INITIATIVES **59%**

SERVICE OPERATIONS – PERFORMANCE MANAGEMENT **45%**

KNOWLEDGE MANAGEMENT **41%**

TECHNOLOGY – REVIEW AND UPGRADE **36%**

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Areas of Focus

ANALYST NOTE:

There is an increased focus from service organizations to move into customer experience-related initiatives. Looking into 2016, 46% indicated customer experience areas to be a top priority (ranked 3rd).

For many organizations these initiatives tie into:
- Voice of the Customer Activities
- Customer Touch Point Programs
- Customer Segmentation and Personalization

Other Areas of Interest
1- Installed Base Management – 32%
2- Culture Development and Strengthening – 27%
3- Expansion of Service Portfolio – 23%

OUR TAKE:

Organizations are faced with a glut of data and are trying to prioritize areas of focus. In attempts to become operationally efficient, data has been used to help organizations move from a field-first or field-only model to one where there are a multitude of options and the field visit is often the last resort. This transition continues.

Now organizations would like to use data to increase the predictability of their service operations with the use of available service data. They would also like to apply data outwards in order to enhance their customers' experience.

Question: Which of these areas are you focusing on in 2017?
Percentage of Respondents Source:
TSC Data April 2017

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CHANGING CUSTOMER EXPECTATIONS – SERVICE DELIVERY	**77%**
WORKFORCE AND TALENT SHORTAGE	**50%**
CHANGING CUSTOMER EXPECTATIONS - PRICING	**36%**
SUPPLY CHAIN CHALLENGES	**31%**

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External Challenges

ANALYST NOTE:

As seen at the beginning of 2016, changing customer expectations regarding service delivery present the most disruptive challenge to service leaders. As service purchase and renewal decisions move into the oversight of more senior business executives, its important to not only meet on service objectives and obligations but also to continue to display value in the language/currency of the decision maker.

We also see the continued concern over talent availability, especially in the areas of field service and technical support. 7 out of 10 organizations polled by TSC will be impacted by an aging workforce in field service in the next 10 years. Coupled with retiring workers, organizations are struggling to find new sources of talent.

OUR TAKE:

Service organizations must understand what their customers value. Value doesn't't necessarily mean more of everything, but could actually mean the removal steps to getting things done. Taking this a step further, organizations must understand the value levers for all levels of the customer hierarchy. The person buying the service contract might value one thing whereas the person operating equipment or machinery might value something else.

From an aging workforce perspective, there are three major organization models that needed alignment
1- Operating Model - Remote, Self, Field
2- Talent Model – Hiring, Training, Knowledge, Outsourcing
3- Technology Model – IoT, Training Content Delivery, Knowledge Mgt, Performance Support

Question: Which EXTERNAL forces will impact your business?
Percentage of Respondents
Source: TSC Data April 2017

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TSC-L 2017 Internal Challenges

Internal challenge	Percentage of respondents
LACK OF RESOURCES TO MEET DEMAND	55%
INADEQUATE VISIBILITY INTO PERFORMANCE INFORMATION	50%
SKILL SETS AND QUALITY OF WORKFORCE	41%
CULTURAL MIS-ALIGNMENT	32%

ANALYST NOTE:

While aging workforce issues are seen as an external challenge, organizations are already stretched to meet service delivery objectives. These challenges will continue to drive an interest in:

- Efficiency-focused automation investments
- Performance-enabled/intelligent service delivery
- Updated workforce training programs
- Third-party workforce support

We anticipate that there will also be a greater use of capacity planning tools in order to forecast future demand and resource needs. These resource needs might then be filled by seasonal or third-party workforces.

OUR TAKE:

45% of organizations indicate that there is poor collaboration and process integration between service and other functions in the organization. As service organizations embark on their digital transformation journeys, integration with HR, engineering, and sales and marketing, will be vital. The service organization cannot be transformed in a silo; its transformation must be matched and supported by surrounding business units.

In evaluating talent to support the service transformation, there remains a consistent need for technical knowledge and knowhow. However, there is a growing need for individuals (call them success managers) who are able to engage in value discussions with customers and position available products and services or support new product development for the removal of major customer pain points.

Question: Which INTERNAL forces will impact your business?
Percentage of Respondents
Source: TSC Data April 2017

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S Survey (End April)

Drive to 50 Benchmarked Organizations

D Data Published (Early May)

- 2017 Priorities
- KPI Results
- Business Capabilities
- Service Champion Results

R Research Published (May)

- Summary Report
- Key Takeaways
- Champions Report
- Champions Guides (How-To)

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2017

What's Next

L

Q1 2017	Q2 2017	Q3 2017	Q4 2017

Q4 2016: IOT PREPARATION

INTERVIEWS: DEC 2016
OUTPUT: Q1 2017

Q1 2017: SERVICE LEADER'S BENCHMARK

SURVEY: JAN-FEB 2017
OUTPUT: Q1 2017

FOCUS KPIS:
- MARGINS
- REVENUE
- COST
- CSAT
- RETENTION

OTHER AREAS –
- CHALLENGES
- INVESTMENT AREAS

Q2/Q3 2017: OUTCOME-BASED MODELS

SURVEY/INTERVIEWS: MAY 2017
OUTPUT: Q2/Q3 2017

FOCUS: LOOKING INTO PROGRESS MADE BY SERVICE ORGANIZATIONS TO INCORPORATE OUTCOME-BASED MODELS AND PRODUCTS INTO THEIR PORTFOLIO

TOPICS: SERVITIZATION, OUTCOME-BASED, POWER-BY-THE-HOUR

SMARTER SERVICES SYMPOSIUM

LIVE: SEPT 11-13

Q4 2017: DIGITAL TRANSFORMATION

SURVEY/INTERVIEWS: OCT 2017
OUTPUT: Q4 2017

FOCUS: LOOKING INTO THE SERVICE LEADER'S POINT OF VIEW ON DIGITAL TRANSFORMATION AND ITS IMPACT ON SERVICE STRATEGY

TOPICS: DIGITAL DISRUPTION, DIGITAL PRODUCTS, CUSTOMER INTERACTION

	Webcast	IdeaShare
APRIL	**N –** NONE SCHEDULED	**25 –** EXTENDING A GLOBAL SERVICE STANDARD IN CHINA (L)
MAY	**11 –** SYMPOSIUM PREVIEW (ALL) **16 –** DATA CONVERTED TO THE RIGHT SERVICE INSIGHTS (D)	**31 –** BREAKING THE WALL BETWEEN SALES, MKTG, & SERVICE (SM)
JUNE	**15 –** EMPLOYEE ENGAGEMENT (W)	**22 –** EVALUATING OUTCOME-BASED MODELS (L)

Visit: www.servicecouncil.com/events

2017 Smarter Services Symposium

Sept 11-13 in Chicago

www.servicecouncil.com/symposium2017