



IN FIELD SERVICE

The Next Wave of
Transformation



ESG in Field Service

The Next Wave of Transformation



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EXECUTIVE SUMMARY

ESG (environmental, social, and governance) issues continue to become more important to both investors and consumers. ESG impacts the entire organization, but the field service department plays an integral role in enacting the organization's strategy.

This is especially true for emissions reductions. According to *Sustainability*, eliminating just one on-site service visit per day for a year could reduce an amount of carbon equivalent to what 5.5 acres of U.S. forests absorb in the same amount of time.¹



This report explores how ESG is evolving in the field service industry and what changes companies are expecting over the next three years. It analyzes field service organizations' long-term ESG goals, as well as their ideas for building a more sustainable future.

¹Waicberg, Sam. "Augmented reality advances organisation ESG initiatives." *Sustainability*. April 23rd, 2022. <https://sustainabilitymag.com/esg/augmented-reality-advances-organisation-esg-initiatives>

ABOUT THE RESPONDENTS

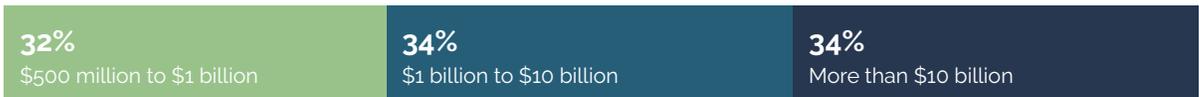
The WBR Insights research team surveyed 100 field service leaders from across the U.S. and Canada to generate the results featured in this report. All the respondents have seniorities of director-level or higher. They occupy roles in IT, operations, service, support, and finance.

What best describes the area in which your organization provides service?

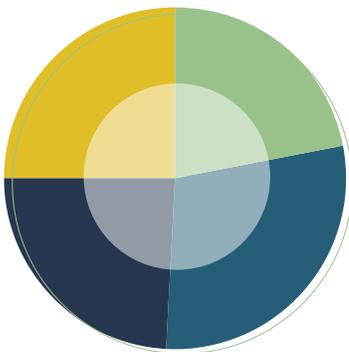


- 10% Utilities
- 9% Appliances & Electronics
- 9% Construction & Industrial
- 9% Enterprise Network Equipment
- 9% Heavy Equipment
- 9% Information & Communication Technology
- 9% Manufacturing
- 9% Semiconductors
- 9% Transportation
- 8% Medical & Scientific Devices
- 6% Domestic Computers
- 4% Commercial Computers

What is your company's annual revenue?

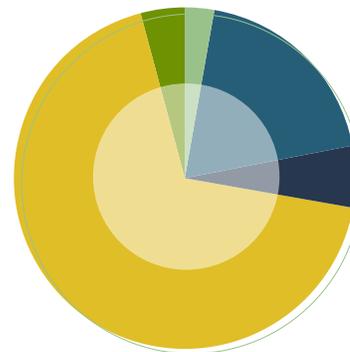


What is your role?



- 22% IT
- 29% Operations
- 24% Service / Support
- 25% Finance

What is your seniority?



- 3% C-Suite
- 19% Vice President
- 6% Department Head
- 68% Director
- 4% Manager

KEY INSIGHTS

Among the respondents:

60%

now handle between 31% and 60% of their field service visits through remote assistance and collaboration.

39%

currently use a GPS tracking solution to monitor their fleets. Most of these respondents say their solution is "very effective" for limiting unauthorized jobs (64%), reducing fuel consumption and idling (59%), and analyzing overall fleet efficiency (54%), in each case.

TOP 2

Their two most important ESG objectives for the next three years are improving pay equity (49%) and reducing greenhouse gas emissions (44%).

51%

are measuring their reduction in parts consumed per asset under maintenance to measure their reduction in environmental impact.

35%

currently use software specifically designed for ESG reporting, and nearly half (43%) plan to adopt it.

46%

are measuring the increase in recyclable packaging and materials used to measure their reduction in environmental impact.

51%

consider 5G technology very effective in helping them reach their sustainability goals.

71%

claim they are currently collaborating on ESG issues with 25% to 75% of their supply chain partners.

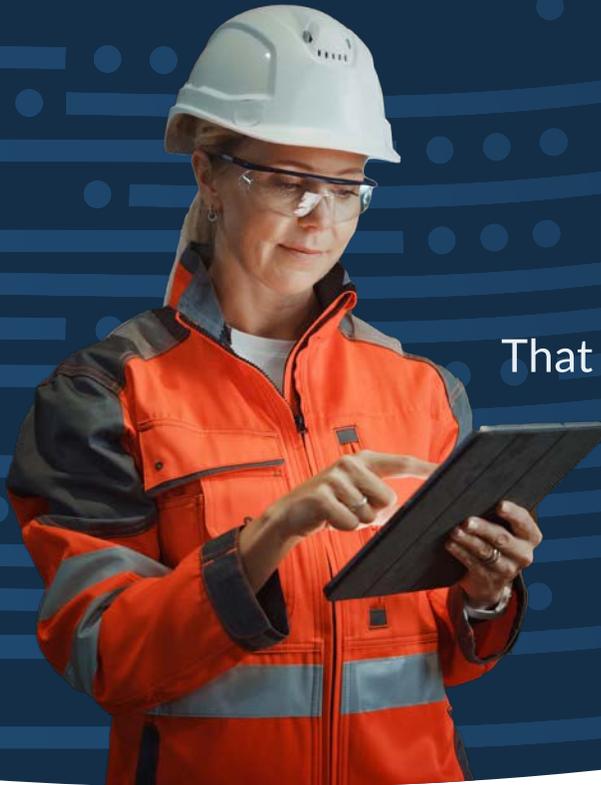
50%

consider self-service technologies or channels very effective in helping them reach their sustainability goals.



Field Service Management

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Discover how **FieldAware** connects your entire field service operation, reduces waste, and drives efficiency to every part of your business.

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> Customer Management

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> Technology Management

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“...it's customizable, reliable and mobile. It also integrates seamlessly with NetSuite ERP.”

—
Generator Systems
Rob Somrak | CFO

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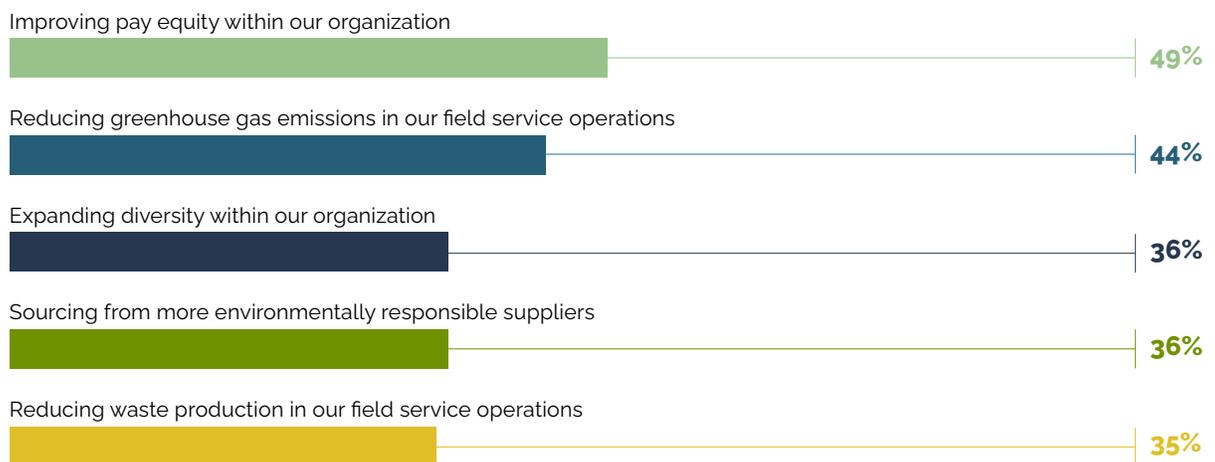
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PAY EQUITY AND EMISSIONS REDUCTION ARE TOP ESG OBJECTIVES IN FIELD SERVICE

ESG standards have become a hallmark of organizational expertise. Investors are increasingly interested in moving their capital toward companies that treat their employees fairly, operate ethically, and make serious commitments to sustainability. As such, organizations are taking steps to improve their diversity, equity, and governance, while also reducing their emissions as much as possible.

As an extension of the organization, field service is beginning to play a more significant role in helping companies meet their ESG standards. Field service departments have a wide range of opportunities to reduce waste, lower emissions, and ensure the organization's supply network meets high ethical standards. Some ESG issues have become a higher priority than others.

Among the following options, which are your two most important ESG objectives for the next three years?



According to the results of the study, the top two most important ESG objectives among the respondents are improving pay equity within the organization (49%) and reducing greenhouse gas emissions in their field service operations (44%).

Pay equity has been a rallying point among both employees and organizations for several years. According to SHRM, 93% of U.S. companies were already working on pay equity analysis and 77% were working on remediation strategies and pay equity adjustments in 2019.²

Meanwhile, reducing greenhouse gas emissions has become a priority for organizations across the world as the negative impacts of climate change become more apparent. There is renewed urgency to reduce emissions due to widespread droughts and record-breaking temperatures in specific regions.

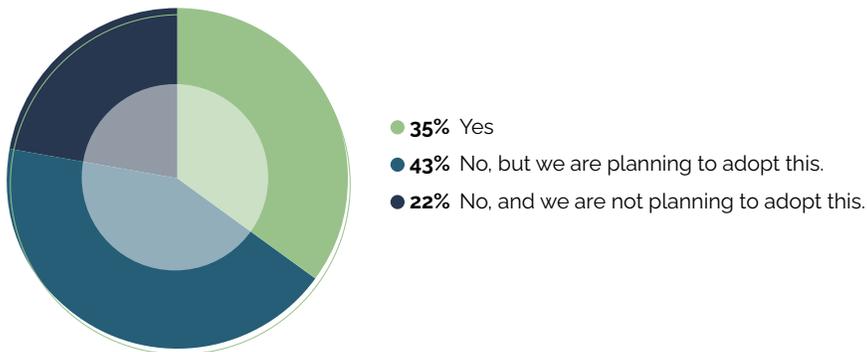
²Miller, Stephen. "U.S. Companies Are Working to Fix Pay-Equity Issues." SHRM. May 13th, 2009. <https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/companies-are-working-to-fix-pay-equity-issues.aspx>

Still, these two priorities aren't far ahead of the others presented to the respondents.

In each case, over one-third of the respondents are prioritizing sustainable sourcing (36%), expanding diversity (36%), and reducing waste production (35%) as top ESG objectives in their field service operations.

Field service must be a focal point in reducing emissions, as it has been historically reliant upon fleets of vehicles to reach customers and their deployed assets. Field service organizations can also play a role in issues of equity and governance by conducting internal analyses of pay disparities and other issues.

Does your organization currently use software specifically designed for ESG reporting?



This type of in-depth analysis can be made simpler and more streamlined by using software platforms that measure the organization's ESG efforts. Only 35% of the respondents are currently using software specific to ESG reporting. However, almost half (43%) say they are planning to adopt this type of software soon.

This suggests that ESG reporting, measurement, and action will soon become standard across field service organizations. With these tools in place, field service teams will have the data they need to form strategies that tackle key ESG issues.



A FINANCE DIRECTOR FROM A MEDICAL AND SCIENTIFIC DEVICES COMPANY

5G, SELF-SERVICE TOOLS, AND GPS ARE IMPORTANT TECHNOLOGIES FOR REACHING SUSTAINABILITY GOALS

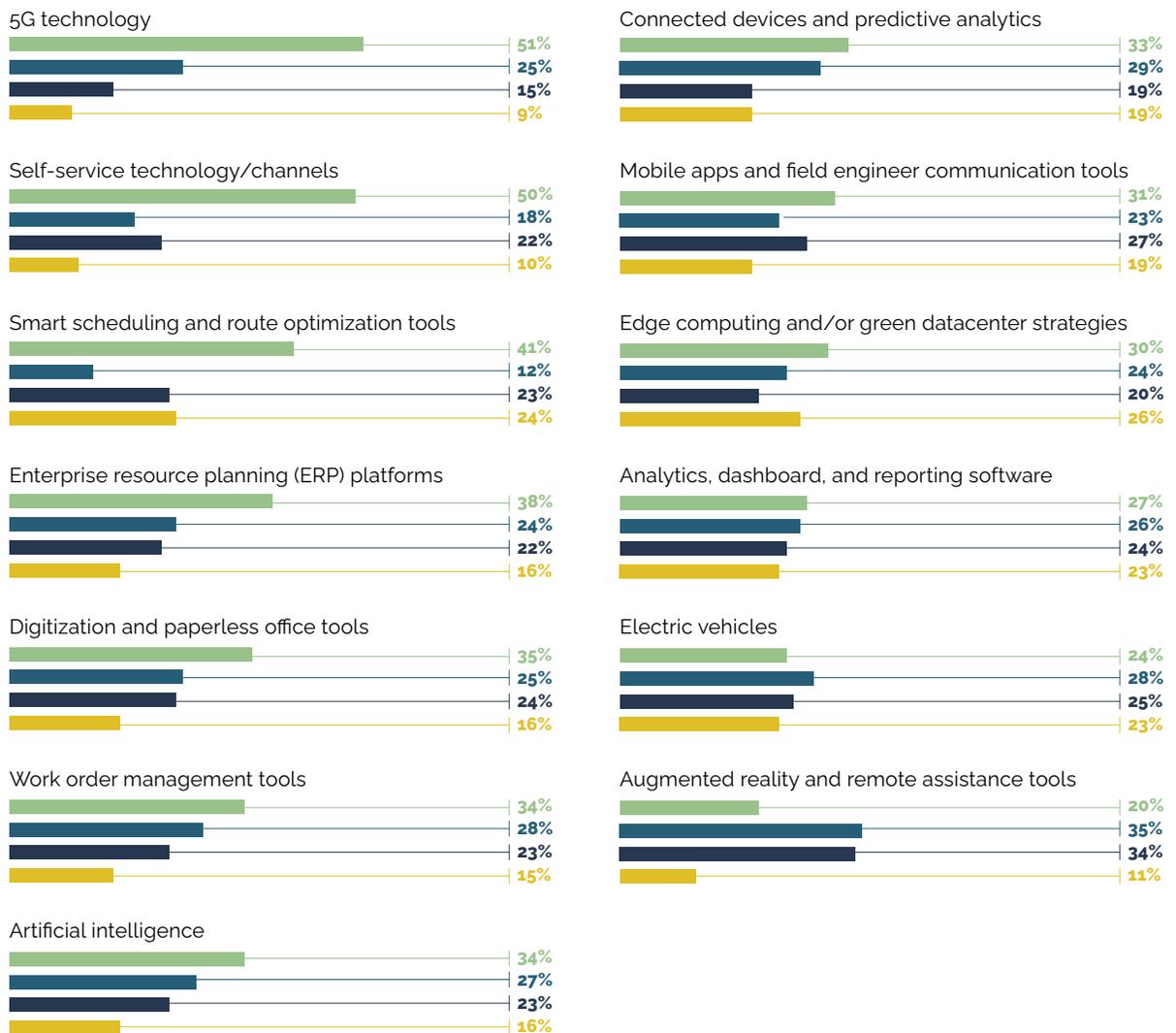
The field service sector has several tools at its disposal to reduce emissions and waste. These include new software and analytical tools, but also new core technologies.

The most important thing field service teams need to recognize now is that dedicating time, effort, and resources to sustainability don't have to mean lost revenue. Many sustainable investments can make the company more efficient and produce a substantial ROI.

For example, by reducing the use of in-person appointments, companies can reduce their fuel costs and free both employees and contractors from long drives.

What field service technologies are most effective in helping you reach your sustainability goals?

● Very effective ● Somewhat effective ● Not very effective ● We don't currently use this.



Underpinning these capabilities is a range of technologies. Some of them are novel solutions that are just hitting the market, but all of them have become prominent in the field service industry.

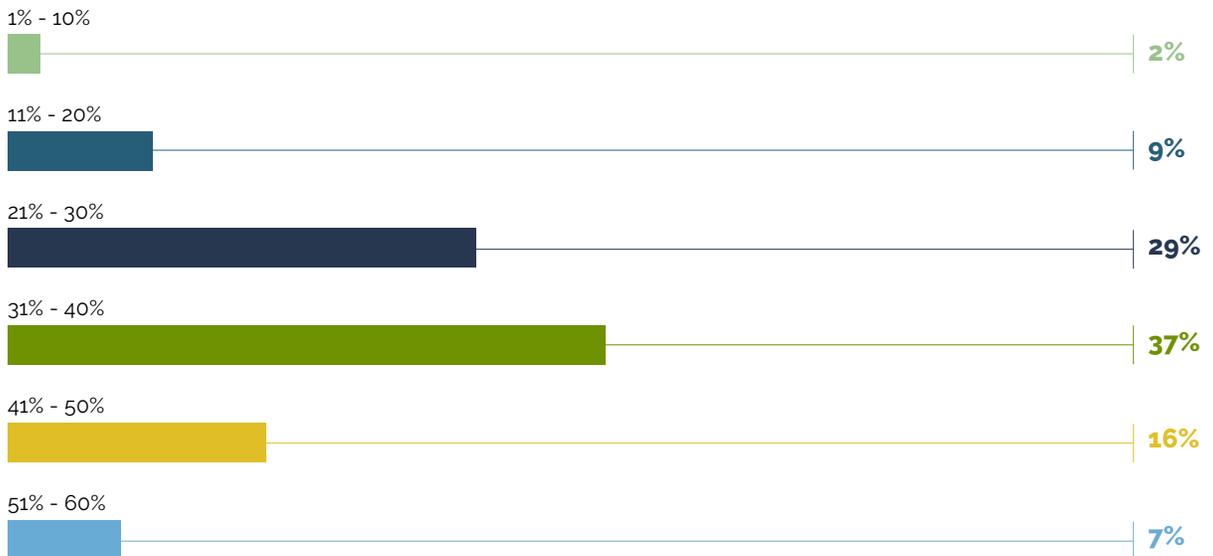
Most of the respondents (51%) say 5G technologies are "very effective" in helping them reach their sustainability goals. Similarly, 50% say self-service technologies are "very effective" for sustainability.

When combined, these technologies help the company reduce service visits, as they enable team members to monitor assets remotely and empower customers to resolve issues on their own. When an on-site repair is required, other tools can help to reduce costs and emissions.

Specifically, 51% of the respondents say smart scheduling and route optimization tools are very effective for reaching sustainability goals. Over one-third of the respondents (38%) say the same thing about ERP platforms.

Finally, many field service organizations are now using augmented reality and remote assistance tools to reduce on-site visits and service costs. Most of the respondents (55%) agree that augmented reality is at least "somewhat effective" in helping them reach their sustainability goals.

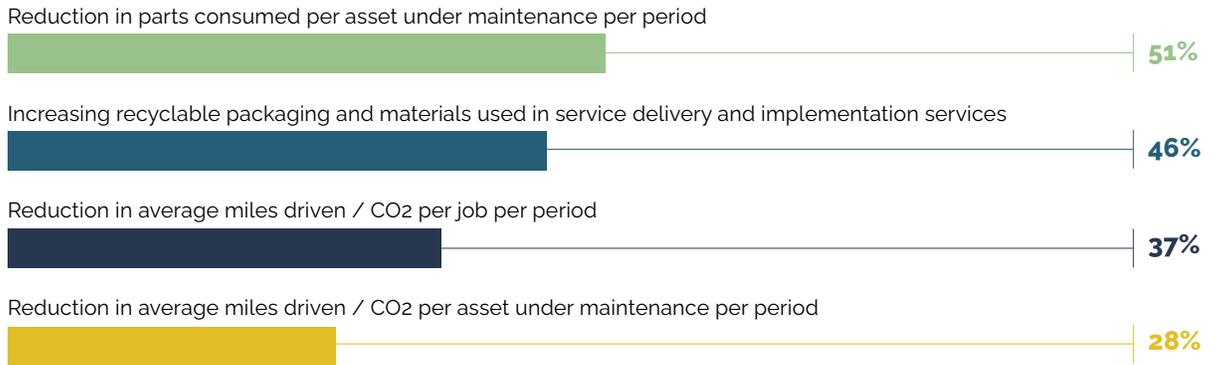
What percentage of your field service visits are now handled through remote assistance and collaboration?



Similarly, a significant portion of the respondents is already using remote assistance and collaboration tools to reduce in-person field service visits. Most of the respondents (60%) say 31% to 60% of their field service visits are now handled through remote assistance and collaboration.

This suggests most field service companies have already reduced "truck rolls" by at least 31%, representing a significant decrease in annual fuel consumption. If reliance on these technologies expands, it could culminate in significant cost savings as well as a notable contribution to organizational sustainability.

Which metrics are you using to measure your service organization's ongoing reduction in its environmental impact?



Over one-third of the respondents (37%) confirm that they are measuring their fuel consumption. The sustainability metrics they typically use are average miles driven or CO2 per job period.

Most respondents are also measuring their reduction in parts consumed per asset under maintenance per period (51%). In addition, almost half (46%) are measuring how much they've increased their use of recyclable packaging materials in service delivery and implementation. The use of both metrics suggests field service organizations are focused on reducing waste in addition to carbon output.



"We report on our ESG activities and some of our critical suppliers who are directly involved with us. All ESG changes and upgrades are followed up to the point of these critical suppliers."

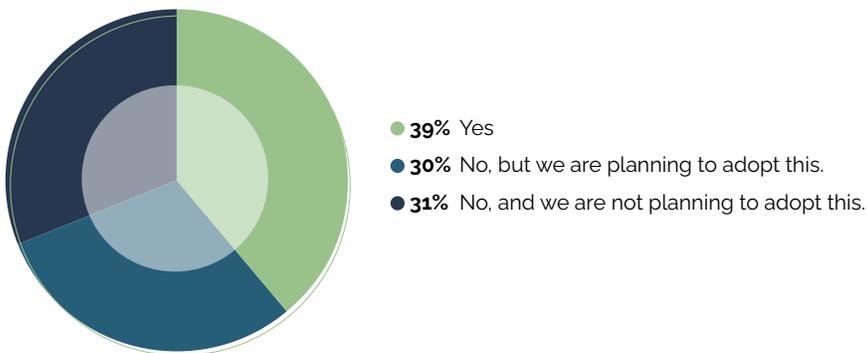
AN OPERATIONS DIRECTOR AT A DOMESTIC COMPUTER COMPANY

GPS SOLUTIONS ARE HELPING COMPANIES IMPROVE FUEL CONSUMPTION AND FLEET EFFICIENCY

Any organization that must manage a fleet of vehicles is likely aware of the benefits of GPS technology, just as most consumers rely upon it extensively to plan their trips and find their way to different destinations. GPS allows the organization to keep track of its fleet, which is essential to security and risk management.

However, GPS technology and the software that accompanies it has advanced considerably over the past few years. Today's industry GPS solutions also monitor a variety of activities while fleets are engaged. These activities include everything from geolocation to fuel consumption and driver safety.

Does your organization currently use a GPS tracking solution to monitor its fleet?



Although only 39% of the respondents currently use a GPS tracking solution to monitor their fleets, an additional 30% are planning to adopt GPS soon. Fewer than one-third of the respondents (31%) have no plans to adopt GPS.

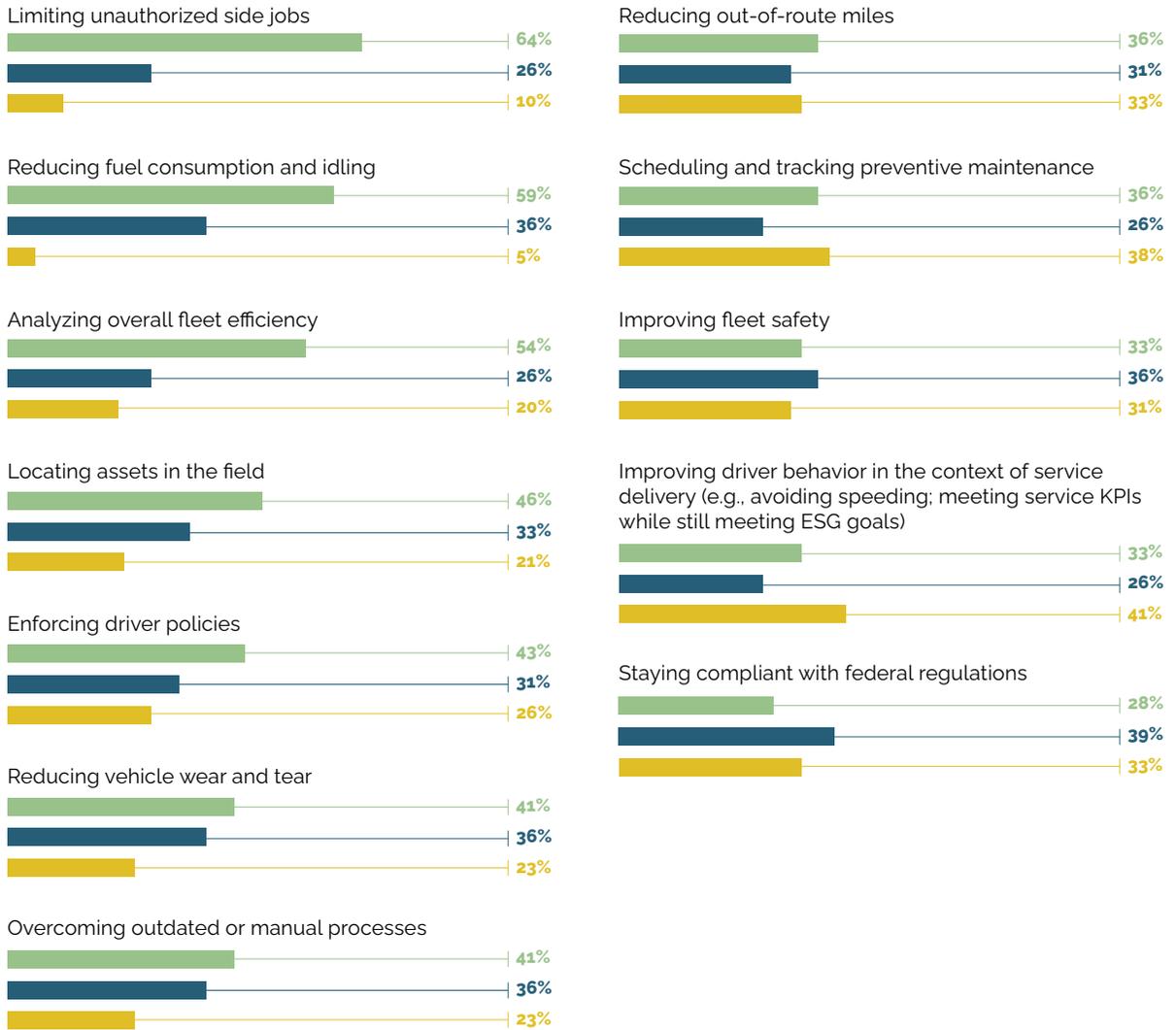


"I believe the industry needs to act fast and introduce sustainability solutions like some of the other industries that have already made major changes."

AN OPERATIONS DIRECTOR FROM AN APPLICATIONS AND ELECTRONICS COMPANY

Since you said you currently use a GPS tracking solution, how would you rate its effectiveness in helping with the following efficiency challenges?

● Very effective ● Somewhat effective ● Not very effective



Those organizations that currently use GPS tracking solutions say they are realizing several benefits. For example, 64% of these respondents say their solutions are very effective in limiting unauthorized side jobs. In this context, GPS is an important investment for managing contractors and other independent technicians who could potentially take on other jobs while on the clock.

However, risk management isn't the only benefit of these GPS investments. Most of these respondents (59%) say their GPS solutions have been very effective in helping them reduce fuel consumption and idling. Similarly, 54% say their GPS tools are very effective in helping them analyze overall fleet efficiency.

In these respects, GPS technology should be an important consideration for companies' ESG initiatives, especially if they manage large fleets.

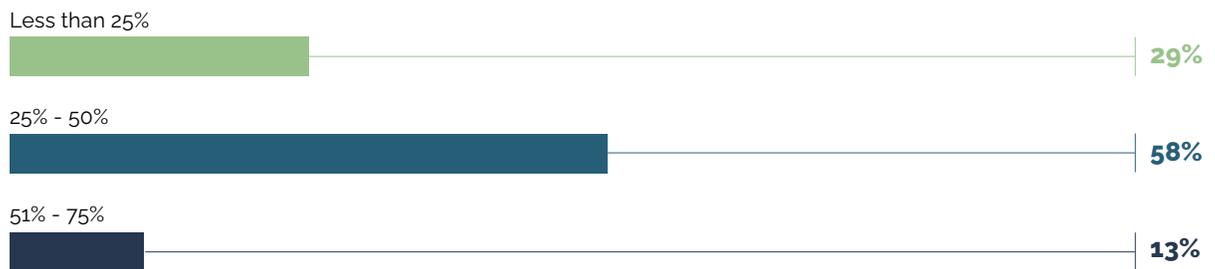
These technology investments are promising steps to a less wasteful and more environmentally-friendly field service department. However, as we will learn, internal technology investments alone can do only so much to help the organization's march toward sustainable transformation.

SERVICE ORGANIZATIONS ARE COLLABORATING WITH SUPPLY CHAIN PARTNERS ON ESG

Customers increasingly view a company's suppliers as an extension of the company itself. This has prompted companies to adopt more robust supplier risk management strategies. Many organizations now rely on analytics, intelligence, and third-party firms to identify both promising and problematic suppliers, so they can avoid any potential fallout from unethical behavior.

Suppliers must now meet ethics, governance, and sustainability standards to maintain their contracts with customers. Similarly, companies are becoming more willing to collaborate with suppliers on ESG issues, and they have implemented tools and strategies to support this process.

With what percentage of your supply chain partners are you currently collaborating on ESG issues?



Most of the respondents (58%) say they are currently collaborating with 25% to 50% of their supply chain partners on ESG issues. Only 13% of the respondents are currently collaborating with 51% or more of their suppliers on ESG.

Researchers asked the respondents to describe how their organizations are holding themselves accountable for their suppliers' actions in terms of ESG. In verbal statements, even the respondents who aren't currently collaborating with most of their suppliers say they are exploring ways to expand ESG reliability in their supply base. Others say they are currently working on new supplier policies.

Respondents who are actively engaged in collaboration with their suppliers say they use a combination of metrics, policies, and intelligence to ensure suppliers align with their ESG commitments.

"We ensure that, like us, our suppliers are dedicated to ESG standards," says a finance director from a medical and scientific devices company. "Our suppliers go through our responsibility standards along with us."

"We report on our ESG activities and some of our critical suppliers who are directly involved with us," says an operations director at a domestic computer company. "All ESG changes and upgrades are followed up to the point of these critical suppliers."

Similarly, a service department head at a manufacturer says, "We have created an ESG reliability metric for our suppliers which aligns our accountability to their actions."

Some of the respondents note that they have started the collaboration process with their most critical suppliers and intend to expand outward where possible. This could be a good starting point for field service organizations that are just beginning to explore ESG policies and metrics for their supply bases.

CONCLUSION: ALIGNING FIELD SERVICE WITH GLOBAL SUSTAINABILITY OBJECTIVES

Many—perhaps most—of the world's major companies have made sustainability commitments of one type or another. However, one of the key criticisms of companies' attempts to embrace sustainability is that their objectives don't always align with what climate scientists and global leaders say is necessary to prevent catastrophe. At the current pace, we may not be able to prevent the worst possible outcomes from climate change, ocean waste, pollution, and other environmental challenges.

Field service must play a significant role in organizational sustainability efforts. It could serve as a starting point for more ambitious sustainability objectives. However, it must also undergo significant changes to match what's necessary to avoid serious impacts from climate.

Researchers asked the respondents to describe how they think the field service industry needs to change to better align with global sustainability objectives. Several respondents believe that “digitized infrastructure,” “digital solutions,” and technology solutions, in general, hold the key to improving outcomes.

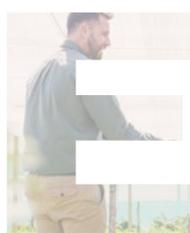
As we've learned, many field service organizations have successfully begun to measure key sustainability metrics thanks to their technology investments. Many solutions are also playing a role in helping companies collaborate on sustainability with their supply chain partners, reduce fuel consumption, and reduce waste.

However, other respondents are more pragmatic about the current state of sustainable transformation in field service. They recognize that systemic changes are required if companies are to align with global goals. According to a VP of operations at a construction and industrial firm, “The industry literally needs to change everything to align with global sustainability objectives.”

Other respondents believe the industry needs to “innovate aggressively,” adopt “ground-breaking and disruptive solutions,” and “set new goals within a shorter time frame.” Similarly, multiple respondents recognize that the business world is “late” in terms of its sustainability commitments.

While the reality of the current sustainability situation may be harsh, field service organizations have already identified the steps they must take to reach ambitious targets related to emissions and waste reduction. Technology will continue to play an important role in companies' sustainability efforts, companies they are also taking steps to completely transform the way they operate.

Every organization must meet the current climate moment. Field service has a unique opportunity to lead the way.



“The industry needs to take support from digital solutions to improve its alignment with global sustainability objectives.”

A C-SUITE EXECUTIVE FROM AN APPLICATIONS AND ELECTRONICS COMPANY

KEY SUGGESTIONS

Use software specifically designed for ESG reporting. Measure issues like pay equity, greenhouse gas emissions, and environmental sourcing using your software. These are some of the most prominent issues currently measured by field service organizations.

Adopt 5G technology, self-service tools, and smart scheduling and route optimization solutions. These are the tools the respondents say are most effective in reaching sustainability goals.

Implement a GPS tracking solution if you manage a field service fleet. Today's tools can monitor fuel usage and analyze efficiency in addition to reducing risk.

Collaborate with your most critical suppliers to stay aligned on ESG issues. If necessary, issue new policies and standards, and onboard a collaboration tool to assist your partners.

ABOUT THE SPONSOR

GPSINSIGHT

GPS Insight helps fleet and field service businesses by delivering innovative solutions and actionable insights. Organizations across North America turn to GPS Insight when they have high fleet operating costs, are worried about safety on the roads, and struggle with inefficiencies that waste valuable time and money. GPS Insight offers best-of-breed technology for organizations with drivers and technicians in the field, fleets of vehicles, trailers, and other mobile assets. GPS Insight provides many fleet solutions that include vehicle and asset tracking, in-cab smart cameras, field service management, and compliance solutions.

For more information, please visit www.gpsinsight.com.



"If the industry wants to be more sustainable, it must partner with expert sustainability service providers for better results."

AN IT DIRECTOR AT AND INFORMATION AND COMMUNICATION TECHNOLOGY COMPANY

ABOUT THE AUTHORS



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We launched Field Service in 2002 and have been dedicated to supporting the growth of the service industry ever since. What started off as 100 people in a room discussing the future of service has become 500 senior-level service executives being inspired while learning and developing their company as well as their careers.

For more information, please visit <https://fieldserviceeu.wbresearch.com>

