How to Improve Efficiency and First Time Fix Rates

Achieving excellent levels of efficiency is a common business goal because who doesn't want to improve profits?

> But in an age of rapidly rising energy prices, worrying inflation, and threat of recession, efficiency has never been more important.

Service businesses that were already concentrating on efficiency will have a slight lead on those who weren't. As prices increase, this starts to erode profit margins, some companies will simply try to put pressure on their supply chains and pass on as much of the increase as possible to customers, but there's nothing like a price increase to prompt your customers to price check you against your competition. Then the focus becomes all about efficiency.

Customers will seek out providers who are the most efficient and can therefore pass on these efficiencies and minimise the impact of cost increases. Service businesses who can achieve good levels of efficiency, can maintain and even grow their customer base, all whilst continuing to re invest for future growth.

Focusing on efficiency doesn't just help service businesses to maintain good profitability, it enables them to enhance customer service levels and customer satisfaction too. Plus, if you can improve efficiency when prices are rising (i.e. during inflation), you can significantly get ahead of your competition.

What is a First Time Fix Rate (FTFR) and why is it key to driving efficiency for businesses

Your First Time Fix Rate (FTFR) indicates the percentage of time an Engineer is able to fix the issue the first time, without need for additional visits, expertise, information, or parts.

The link between FTFR and Efficiency

If you want to stay profitable then resources need to be used efficiently, two of your biggest resources (cost drivers) are highly skilled engineering time and inventory / parts. If you can allocate less resources to complete each job then you can move onto the next task; rather than repeat visits to resolve outstanding issues. Therefore when you achieve a high FTFR you improve efficiency across your entire service organisation. You also fix customer problems quickly, with less disruption/down time so your customers satisfaction and retention is high.

Of course there are other ways to increase efficiency, which may include a review of all your costs, re-negotiating or changing suppliers, and cutting some budgets where possible. However, these standard cost reduction exercises will only deliver minimum, one-off gains for service organisations. The largest and most ongoing efficiency gains are found at the core of your operations, by using your most expensive resources most effectively.

Calculating FTFR

To calculate a First Time Fix Rate and get an accurate picture of how you are performing, you can simply divide the total number of jobs fully resolved on the first visit by the total number of jobs performed, then you have your FTFR.

First Time Fix Rate is so important because it directly effects:

- Engineer productivity, job satisfaction and talent retention.

- Overall profitability of the service provider.

- Customer satisfaction and retention.

Once you've worked out the percentage of your First Time fixes, you can also perform this calculation for:

- Different job categories – to identify if you are better at some types of work than others, then you can work out how to get better at the other work which could be linked to engineer training or something simple like parts availability.

- Individual Engineers/Roles - to identify potential training needs, where there's a big difference between individuals FTFRs, you can get teams to cross-train and identify best practices for others to follow to bring everyone's rates up.

- Customer Site/Contract – to identify trends as customers can impact First Time Fix Rates too, whether that's by restricting access to equipment/sites or failing to notify if direct ship parts haven't arrived.

Reviewing your FTFRs at different levels helps you to ensure your entire team is hitting their targets and where the opportunities for improvement are.

What is a good FTFR in my industry?

So, it's clear that FTFR should be a KPI for service businesses who want to increase efficiency. However, it's also important to determine what a good First Time Fix Rate is, so that you can set a realistic target. Here's where research can help you to determine an initial FTFR target:

Recent research from the Aberdeen Group

found that companies in the top **20%** have a First Time Fix Rate of **88%**

Whereas the bottom **30%** of companies have a First Time Fix Rate of **63%**

A recent survey also found that companies who are considered Best-in-Class deliver a "First Time Fix Rate of

**98.3%** compared to the industry average of **77.8%**

FTTRs at a glance:

Using the diagram as a guide, you can begin to set clear targets for improving your FTFR, knowing how this compares across your industry, and the extra benefits over and above efficiency that you will get once you achieve your target.

Whatever your FTFR is, the data shows the impact it can have on business success. For those businesses with a good FTFR (above 80%) you can start to refine and improve your rate to become best-in-class and maybe even share this data with your customers.
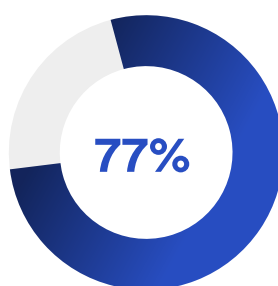
When customers see you are working on efficiency and achieving good fix rates they gain confidence that you are a good supplier. For those of you with FTFRs below 80%, it's important to understand what causes low FTFRs and how to drive efficiency in these areas.
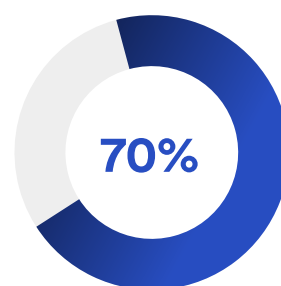
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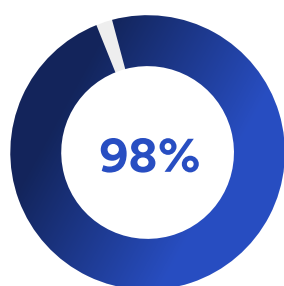
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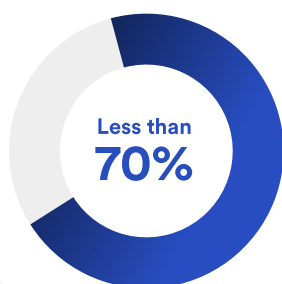in class

88%

You're in the
top 20%

77%
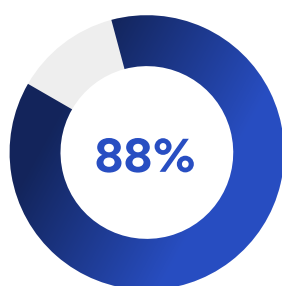
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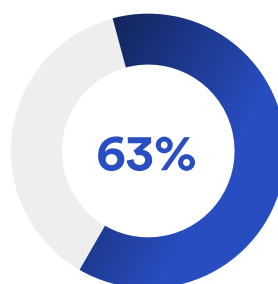the industry
average

70%

With a FTFR of over
70% customer retention
can be as high as 86%.

At this point there's a clear correlation between FTFR and revenue growth as businesses who achieve good FTFRs grow revenues by a minimum of 4%.

Less than 70%

FTFR and retention drops
by a minimum of 10% to
76% or less and revenue
growth is 0%.

63%

You're the bottom
30% of service
companies.

How to increase efficiency and FTFR

Before you can increase efficiency, you need to know some of the main drivers that effect efficiency in businesses, so that you can tackle each of these areas to make improvements.

Research shows FTFR and therefore efficiency is effected by the following factors:

- Parts unavailability (i.e., incorrect or no part available) **29%**
- Customer/asset not available for service **28%**
- Improper diagnosis at time of dispatch **19%**
- Technician did not have right skills **15%**
- Resolution was only temporary **08%**

Sound familiar?

All of the above creates re-visits, and with second or even third visits you get:

- Extra resource costs in terms of Engineers/Field Operative time

- Extra administration and customer liaison

- Extra travel costs

- Unhappy customers

- Unhappy teams

In the next section we cover our top tips and examples of how businesses can improve efficiency across these key areas...

Improving efficiency and your FTFR through:

Scheduling field service jobs requires consideration of a large number of important variables:

Service scheduling is a key process. The right skill set must be assigned to the right job, with the right parts at the optimal time.

- Engineer availability
- Engineer location
- Engineer skill set
- Engineer site permissions
- Engineer current certifications
- Job urgency

- Job duration
- Job parts and location
- Planned/Preventative maintenance
- Reactive maintenance
- Equipment usage rates

Optimised scheduling is critical to maximising Engineer productivity and therefore efficiency. Not only that, repeated scheduling errors creates dissatisfied customers and Engineers.

If you want to increase scheduling efficiency you will require a service management software that integrates all these spatial and real-time variables. Some businesses who are replying on Excel for job lists or even paper system are never going to achieve optimum efficiency. But when choosing which software to manage your field service scheduling, you need to consider systems which improve the following:

- Reactive work causes the most headaches, to manage this efficiently you need visibility & flexibility.

- Pre-planning of preventative maintenance can only help so much as scheduling always requires flexibility for emergency jobs.

- Service Schedulers must have a single screen that gives them visibility of all the data required to track real-time progress of service jobs and adapt schedules accordingly when emergency/urgent jobs are received.

Ideally, you need to choose a service management software that's both comprehensive, and intuitive, so it can suggest time slots for reactive jobs and Schedulers can see at a glance an Engineers' planned schedule, skill set and location so they can re-assign work as required to manage emergency requirements.

Job Scheduling

When you have multiple Engineers visiting an average of 6 different locations per day, plus reactive visits to factor in on the fly, then you need more than a geolocation app for efficient route planning and tracking.

There are many route planning systems to choose from, the best, help schedule and track routes as Engineers complete jobs throughout the day, ensuring visits are planned to minimise travel time and cost whilst ensuring access to customer sites and providing real-time updates to customers.

Efficiency benefits include:

- Reducing fuel costs
- Reducing travel time and costs
- Completing jobs faster/more jobs in a day
- Supporting remote workers, reduce stress
- Reducing environmental impact

Those striving for the highest rates of efficiency can use the following technologies to make significant gains:

Artificial Intelligence: systems can use data sources to forecast actual timings and costs more accurately, considering factors like real travel times, fuel costs, rates of pay.

The Internet of Things and Mobile Systems: enable real-time location reporting, enabling proactive communication with remote workers and customers, ensuring you select the right Engineer for the next job, because you have a full picture of what's happening.

By embracing these technologies, you will know that you've chosen the right person for the job because you have a full picture of what's going on.

Get your planned preventative maintenance right

There really is no excuse for not having a high FTFR if most of your work is planned preventative maintenance. However, many companies still struggle because although planned preventative maintenance may seem like the easy part of scheduling there are still many variables to consider, such as:

- Customers contracted requirements

- Site Access & Permissions

- Service schedules & actual equipment usage rates

- Seasonality – customers' peak times

- Inventory available in van stock or directly shipped to customer site

- Engineer skill-set and customer knowledge

Considering all of this information across multiple customers, contracts, types of equipment and job types is a skill in itself. This is where intelligent service management software can aid Schedulers, not just to plan accurately, and to re-assign and consolidate jobs, but also to ensure inventory/parts are available just in time for all work and of course when supply chain delays occur (which they will) to reschedule the Engineer to only attend when the parts are available.

Use Artificial Intelligence

Artificial Intelligence (AI) isn't for the future, it's how those best in class organisations already manage a large volume of service jobs considering many operational variables. AI both helps with planned maintenance scheduling, ensuring enough capacity is left for reactive jobs (based on algorithms considering vast data sets). AI in no way removes the role of the Scheduler, it simply takes large data sets and presents useful analysis for the people on the ground to make more effective decisions.

Scheduling is never static, AI provides intelligent tools as schedules change throughout each day, assigning parts and people to jobs and ensuring all moved work is rescheduled and communicated.

Use feedback and real-time data capture from the field

Efficient scheduling doesn't just rely on good software and good scheduling personnel though, it needs good data, and this comes from Engineers. Capturing how long jobs actually take to complete and using this data to plan in adequate time for future tasks may sound obvious, but it's systems that capture this information from Engineers completing the work. Using mobile service management software that's easy for Engineers to update in the field, gives Schedulers and Service Managers real time progress data by seeing how much of a job sheet has already been completed in the field and presenting useful analysis to Schedulers when planning future tasks.

Mobile software should also have flexibility for Engineers to create and assign jobs to themselves, so that out of hours and extra work can easily be managed in the fiel d. This not only minimises administration, it also ensures no job invoicing is missed.

An important note about scheduling and tracking software

A good system supports data capture and communications, but it's also imperative for Engineers to understand that geolocation technology used for scheduling and assigning work is not there to keep tabs on them, but to make their schedules more efficient to help reduce their travelling times and to make their working day easier.

Implement the above and you will achieve more efficient scheduling and a higher FTFR. Also consider that when investing in a service management software to improve efficiency you can use FTFR performance as a key metric to show improvements and return on investment.

Managing Engineering Teams

Sending an Engineer without the skill set or experience to complete a job creates a bad impression and a dissatisfied customer, and it doesn't make your Engineer feel great either!

Add to this the fact that there is a serious skills shortage and therefore rising Engineer salary costs, and it makes sense to ensure that you carefully deploy Engineers as one of your most costly resources.

There are two fundamental aspects to managing Engineers most efficiently:

- Using Engineer data to improve productivity and provide relevant training.

- Mobile software to provide information and reduce paperwork.

Know & Develop your Engineers

As we mentioned previously, most service management systems will capture multiple variables when it comes to both customer contract details and types of work, but Engineer costs are high and availability low, so you need to ensure you can track and use the following data in your decision making:

- Engineers' skill set and experience

- Certification dates and required renewals

- Engineers' working hours, holidays, absence, training days and leave

- Site access permissions dates and renewal times

- Assigned equipment/parts

- Location and geographical reach

Using this data isn't about watching over Engineers' every move and analysing their performance, it's about making their days run more smoothly, and ultimately increasing their job satisfaction.

A system that captures and uses all the above information for scheduling, training and development plans delivers many efficiency benefits. Ensuring you never assign an Engineer without the relevant skill set or equipment. Helping you foresee future resource gaps and scheduling necessary training in advance. Supporting your Engineers to ensure their certifications and site access permissions are current and factoring in time for them to complete these activities.

Talent Development

Whilst this does link to scheduling, it's also an important part of talent development and retention. Assigning Engineers time for training or job shadowing, so they are continually improving, will make them more likely to remain employed by the company for longer as they get job fulfilment and know they are improving their skills capability.

Make it easy with Mobile Software

It's human nature to take the path of least resistance, so every service business that wants to improve efficiency needs a system that makes it easy to capture data once at the point of relevance.

Remove paperwork, increase accuracy

In simple terms, this means giving Engineers access to mobile service management software that removes paperwork, ensures mandatory information is completed on site and is pre-populated wherever possible to save time. No more delayed, incomplete, or missing paperwork. No more missed invoicing opportunities. If you don't have bespoke Job Sheets for each task you will be suffering with inaccurate, incomplete, and delayed data, plus lost engineering time which is devoted to these administration tasks.

Provide Useful Information and Speed up Job Completion Times

Secondly, we all feel better when we are well-informed, good mobile software gives Engineers access to useful information without delay. Access to customer, site, contract, equipment, job history and job checklist information reduces errors, improves job completion times and supports Engineers in the field, never mind keeping admin teams free to concentrate on their work, rather than bringing up data for Engineers when they are on-site.

Controlling Inventory Availability

Service management systems that don't include inventory management or an integration with an existing inventory management system are doomed to failure.

Unavailability of parts is responsible for almost

30% of repeat visits

In too many organisations, Service Managers don't have any influence over inventory, leaving them at the mercy of Procurement & Supply Chain teams. However, it's most likely that this approach has been implemented, because management lack the understanding that this is having a 30% impact on efficiency.

If you're using a service management system that doesn't track parts by location, that can't extract parts requirements from the forecast service work, provide inventory demands and enable expediting to ensure parts arrive on time, then you simply need to upgrade to a system that does.

Don't fear integrations

If your company has a separate inventory system, you need to ensure that your service management system can be integrated with your inventory control system.

Administration Processes

Just as we've shown how important Engineers are to overall efficiency of service businesses, you mustn't ignore the influence of back-office teams.

Invariably Service Managers and Business Owners think that investing in service management software may reduce back-office requirements, however, there are two fundamental areas where Administration/ Customer Service are absolutely vital to efficiency. Best-in-class providers focus back-office teams on these areas to maximise efficiency, improve customer and Engineer satisfaction.

These two key areas to improve Administration are:

- Proactively communicating with customers

- Capturing accurate and complete information for jobs

Customers or their assets not being available for service visits accounts for **28%** of failed first time fixes. Just as failure to capture correct information for proper diagnosis of the problem prior to work starting accounts for a further **19%** of failed first visits.

Using Automation to Enhance Customer Service

Some of these tasks may be supported by a system, such as sending automated service appointments for customers to accept. Asking customers to complete online forms detailing equipment failure details, but it takes skilled and experienced back-office teams to follow-up with people when appointments aren't accepted in time and forms are incomplete or unclear.

Service management software can only do so much, the best-in-class organisations with high levels of efficiency use the software to manage the standard process flows, so their people can focus these important activities knowing that this communication with customers is vital to efficiency and success.

Build stronger relationships with customers

What you also find is that when customer service teams are free from basic administration to concentrate on these tasks, they also build more rapport with customers helping them when it matters most, leading to higher levels of customer satisfaction and loyalty.

Management reporting for KPIs and continuous improvement

Data provides insight and enhanced decision-making potential for managers; it also helps support cases for investment. If you can estimate how scheduling can improve your First Time Fix Rate you can put a value to it. Say you improved First Time Fix Rate by 20%, you can calculate how many jobs that equates to and then work out what at least one more visit to each of these jobs would cost to complete and therefore show just what you are saving, never mind the extra revenue the company can achieve from the extra 20% being applied to new work.

First things first though, you need to be able to capture useful data to help improve First Time Fix Rate. Additionally, once you have achieved a good FTFR, getting to be best-in class requires even more layers of data. Remember when we talked about measuring FTFR and how you could also do so by team, by person, by department, by customer? This is how bestin-class companies achieve 98% FTFR; because they use detailed data to pinpoint and resolve issues – you can't fix something if you don't know where the problem is.

Data origination

For most service organisations data capture starts with the Engineers who are completing the service jobs. Without a good mobile version of your service management software, you simply won't capture good data or achieve efficiency.

Multi-level data and bespoke fields

Secondly, you need multi-level capability, for example capturing the skill set of Engineers might sound like a nice thing to have, but if your FTFR is low because Engineers can't complete some jobs, then you won't increase efficiency and job retention if you can't map Engineer capabilities to jobs. Understand what detailed level of information you need and ensure your system either captures it as standard or enables you to use bespoke fields to do so.

Standard and Bespoke reporting

Standard and Bespoke reporting Once you are capturing good data you need to ensure you can easily build both standard and bespoke reports. If you are using a service management software that specialises in your market sector then you must recognise that they talk to lots of companies just like you, so you may learn something from their standard reporting for your industry. However, you also need the flexibility to create reports that track the activities you are focusing on. Each of the efficiency improvements we've covered in this guide have multiple variables, reporting on these variables helps Service Managers to see triggers, make changes and track improvements, bespoke reporting for your business can be key to achieving best-in-class levels of efficiency and therefore success. Finally, data plays a big role in tracking return on investment, not just in the improvements you are making, but also some of the technologies and software you need to achieve efficiency. Software investment decisions can be a drain on efficiency themselves, wasting lots of management time reviewing options without any clear criteria. Base your criteria on the efficiency parameters we've outlined, set clear and realistic improvement targets, and use these to forecast a clear return on investment and then management can make technology investment decisions more efficiently too.

Summary

First Time Fix Rates are critical to long-term sustainable efficiency for businesses.

Efficiencies are delivered through a combination of; effective processes supported by technologies, focusing costly resources on key deliverables and detailed analysis and insight for decision making. Key drivers of efficiencies are:

- Intelligent Scheduling for planned and reactive work

- Multi-level Engineer management and development

- Mobile Software for full visibility, data capture and accuracy

- Timely and focused, comprehensive communications

- Integrated route mapping and tracking

- Management reporting for KPIs and continuous improvement

Service businesses that use the best technologies for their requirements support their Human Resources to focus on and drive marginal gains throughout their entire operations. This drives efficiency, achieving high First Time Fix Rates and growing a strong base of highly satisfied, loyal customers, achieving sustainable efficiency.

Our Suggestions

There's so many marginal gains when it comes to efficiency improvements that it can be difficult to know where to start.

Here's our suggestions:

- Be clear what your First Time Fix Rate is. If you can't calculate it using your current system then just do some manual tracking to get a baseline figure you can work from.

- Find a service management software consultant who can show you how the right system to help you deliver improvements in each of the key areas. What's important here is to quantify all the differences you can make and estimate the value of the savings.

- Create a sound business case with a clear ROI showing the improvements, the cost savings and the impact on customer and employee satisfaction. Justification is required to support the investment in any new business tool.

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Gary has over 18 years' experience in service businesses and software technologies. We hope you've found this guide useful, for more resources please visit servicegeeni.com/content-hub