

2016 CONNECTED MANUFACTURING SERVICE REPORT

Insights into Manufacturing Service



A woman with long blonde hair and a man with glasses are looking at a tablet together. The image is overlaid with a semi-transparent purple filter.

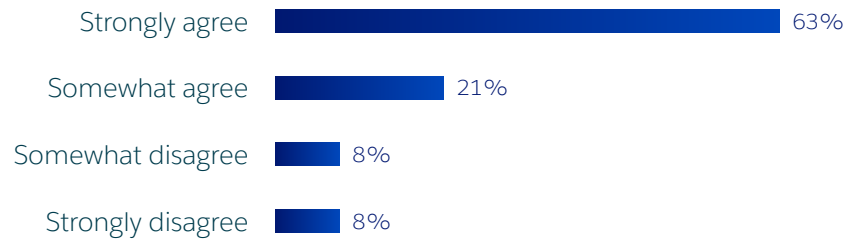
Introduction

To better understand the role technology plays in the service departments of U.S. manufacturing companies, Salesforce Research conducted its “2016 Connected Manufacturing Service Report.” More than 200 executives participated in the nationwide survey conducted online by Harris Poll on behalf of Salesforce from February 1-17, 2016. The research found that executives believe service plays a vital role in their businesses. However, service agents do not always have access to the latest technologies in the field, which requires return trips to customer sites due to a lack of updated customer information and other issues. And many companies are still using paper-driven or other outdated processes when managing and analyzing customer information. Regardless, executives believe in a technology-enabled future, reporting that wearable devices like watches and glasses will play an important role in service operations, and that within the next ten years products will become “loss leaders,” while services will be revenue drivers.

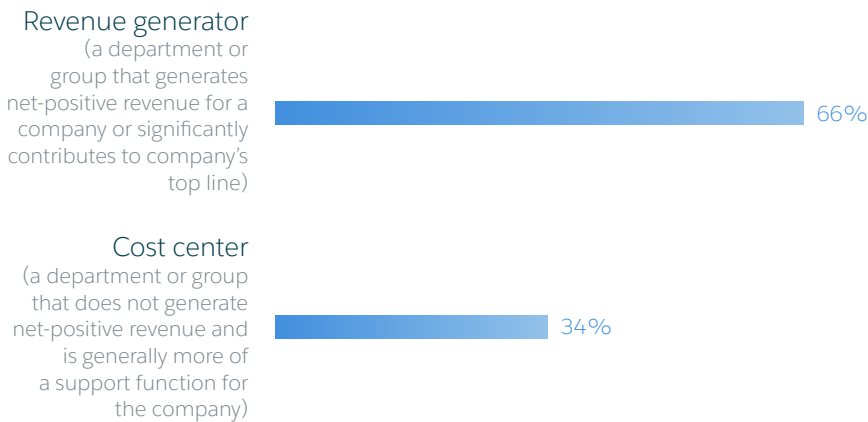
I. Current State of Service in Manufacturing

Executives¹ today understand the importance of their service departments to their businesses, as 63% strongly agree that they play a strategic role, and 66% view them as revenue generators.

1. How much do you agree or disagree with the following statement?
My service department plays a strategic role in the overall business.



2. Thinking about the company’s overall business, do you view your service department (i.e. the department that handles customer requests and repairs for a company, including post-sales support, repairs and other customer requests) more as a...?

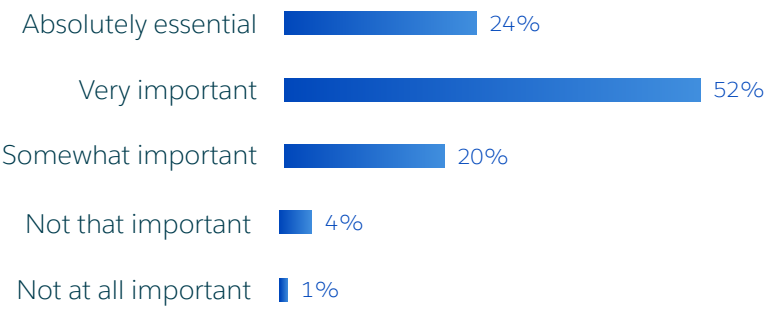


¹“Executives” in this survey are defined as U.S. adults 18+ who are employed full-time as a Director or above in the manufacturing, consumer products/consumer goods, heavy equipment/construction & agricultural machinery, automotive, or oil & gas industry and perform one of the following functions: production/operations, information technology, customer service, retail service/retail service operations, or field service/field service operations. Throughout this document, the term “executives” refers to the definition above.

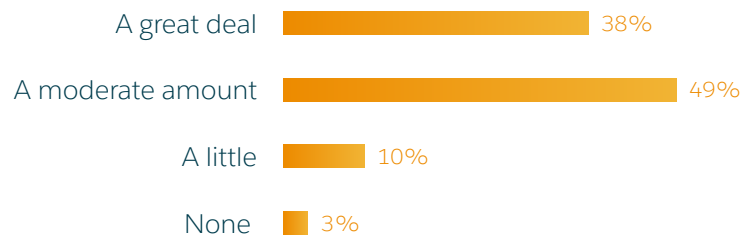
I. Current State of Service in Manufacturing

Executives also understand the need to adopt new technologies into their field service departments, as more than half (52%) say it is very important for drivers or field service agents to be able to incorporate new technologies into their service activities.

3. How important do you believe it is for your drivers or field service agents to be able to incorporate new technologies into their service activities?



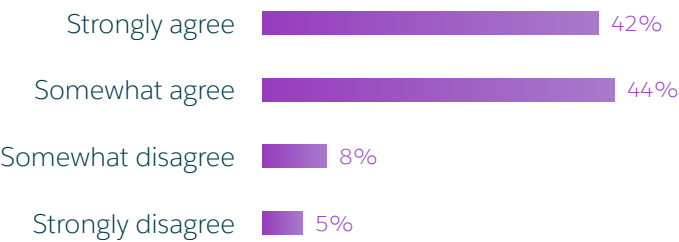
4. How much would you say you are investing in technology training for your service agents?



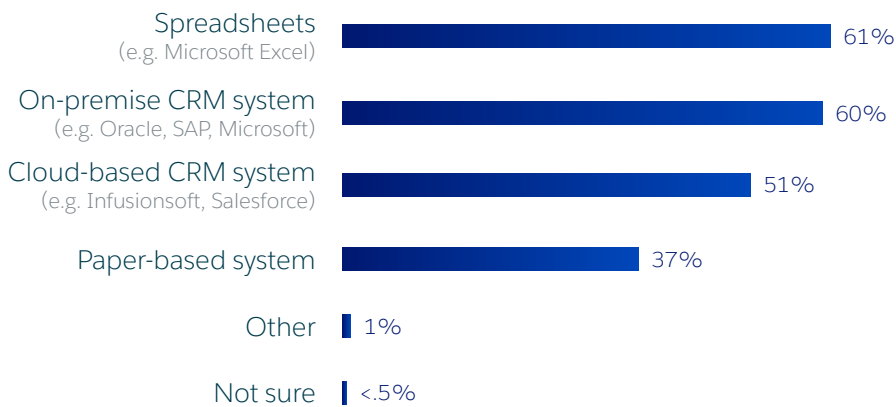
I. Current State of Service in Manufacturing

However, despite this desire to adopt modern technology, 61% of executives say they use spreadsheets and 37% use a paper-based system to track customer information, including purchase history and service requests.

5. How much do you agree or disagree with the following statement? My service agents have the right professional skills to use new technologies (e.g. mobile devices, apps, social, analytics, and other cloud-based technologies).



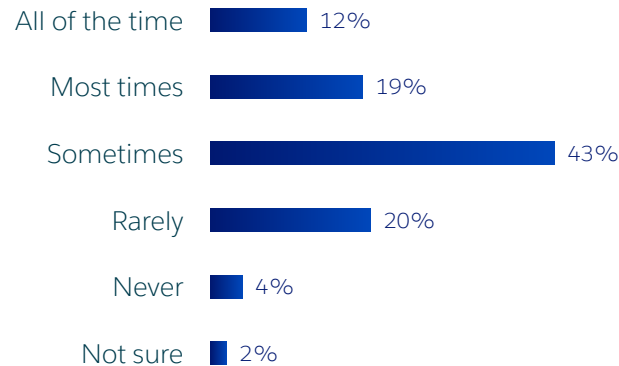
6. How do you typically track customer information, including purchase history and current service requests?



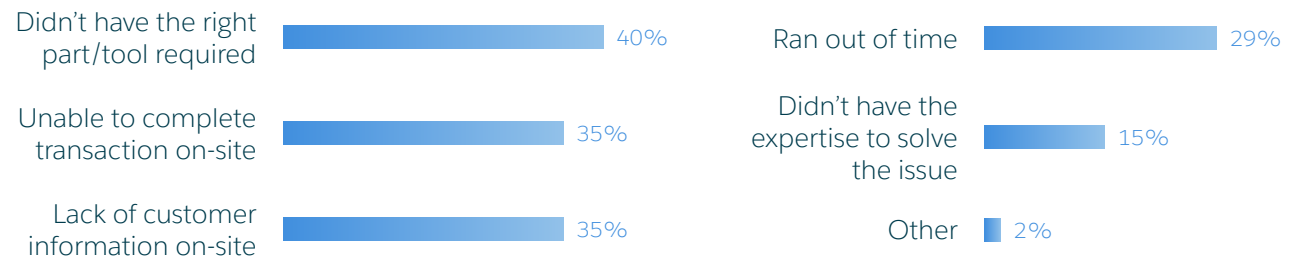
II. Field Service Frustrations and Customer Impact

In field scenarios, more than 70% of executives report that their service agents need to make return visits “at least sometimes” to customer sites, and 12% have to return “all the time.” Among those that said “at least sometimes,” the reasons for return visits vary from field service agents not having the right part or tool (40%), to not being able to complete the transaction on-site (35%), to a lack of customer information on-site (35%).

7. How often do your field service agents perform on-site customer service with the need for a return visit?



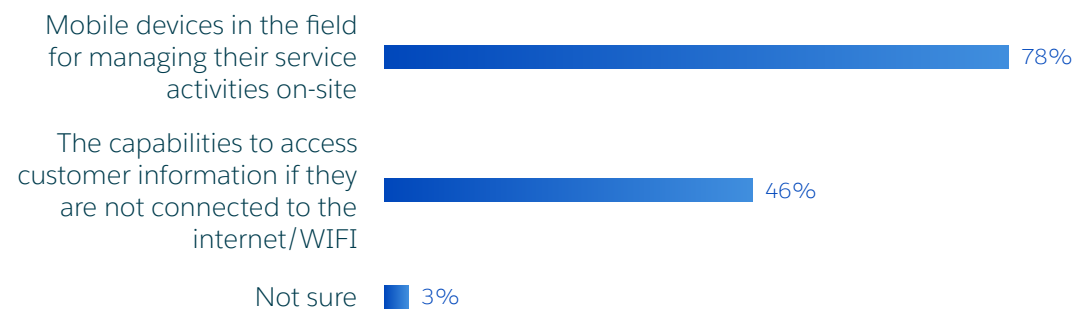
8. For which of the following reasons do your field service agents typically need to make a return visit? (asked among executives who said their service agents make return visits at least sometimes)



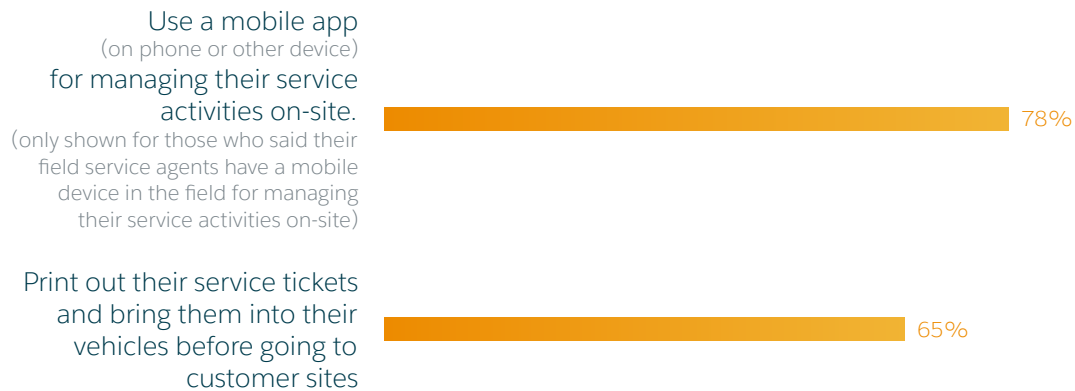
II. Field Service Frustrations and Customer Impact

While 78% said their field service agents have mobile devices in the field for managing service activities on-site, only 46% of executives say their agents have the capabilities to access customer information if they are not connected to the internet or WiFi – and a staggering 65% of executives say agents still print out their service tickets and bring them with them in their vehicles before going to customer sites. Finally, only 41% of executives report having a data capture system for collecting and managing information about customers, clients and prospects – and 19% an Internet of Things (IoT) strategy – but 60% still use human analysis to measure/analyze this data so they can take action.

9. Which of the following, if any, do your field service agents have?

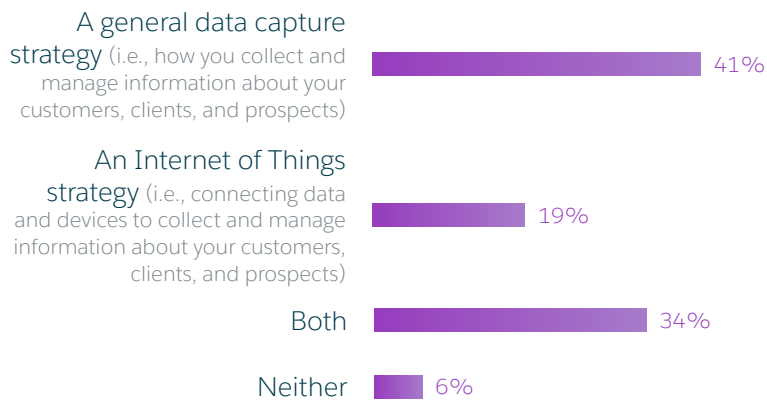


10. Do your field service agents do any of the following? (% who said yes)

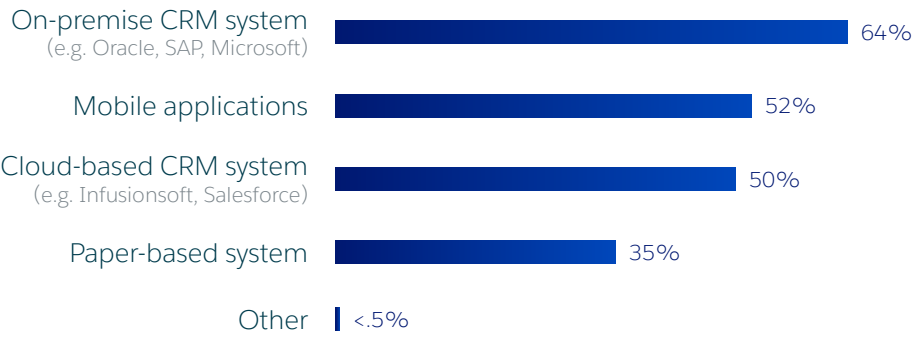


II. Field Service Frustrations and Customer Impact

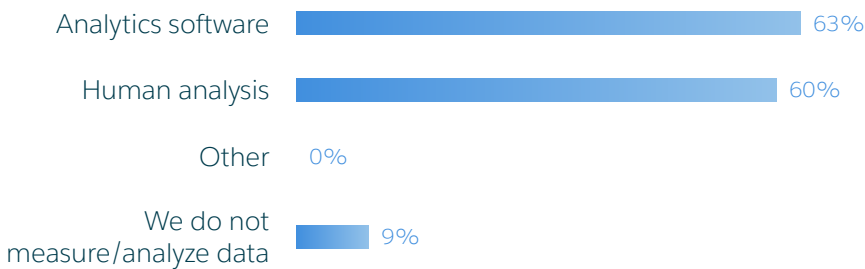
11. Which of the following, if any, do you currently have?



12. You mentioned that you had a data capture and/or Internet of Things strategy. In which of the following ways do you typically collect data from various devices?



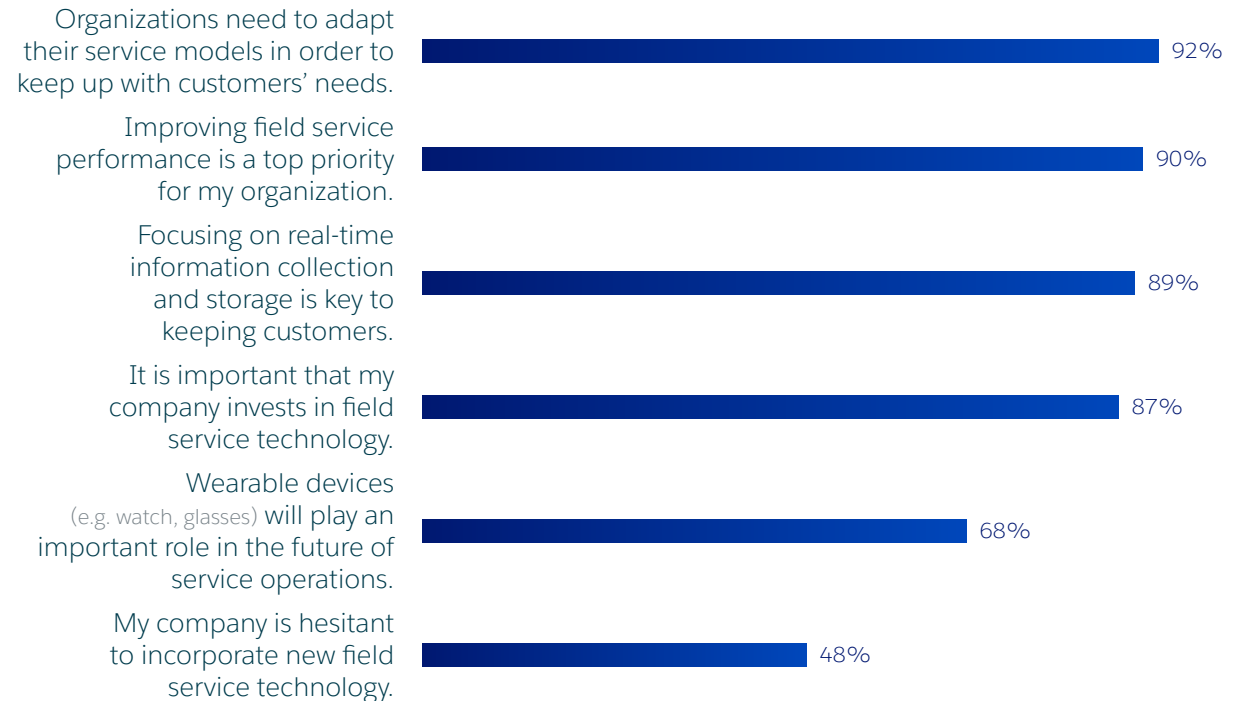
13. Which of the following do you typically use to measure/analyze data so that you can take action?



III. The Future of Service Technology

Executives view service as a critical piece of their future plans, with 90% stating that improving field service performance is a top priority for their organizations, and 92% agreeing that organizations need to adapt their service models to keep up with customer needs. Eighty-seven percent of executives believe it is important that their companies invest in field service technology, and 68% believe wearable devices (such as smartwatches and glasses) will play an important role in the future of service operations.

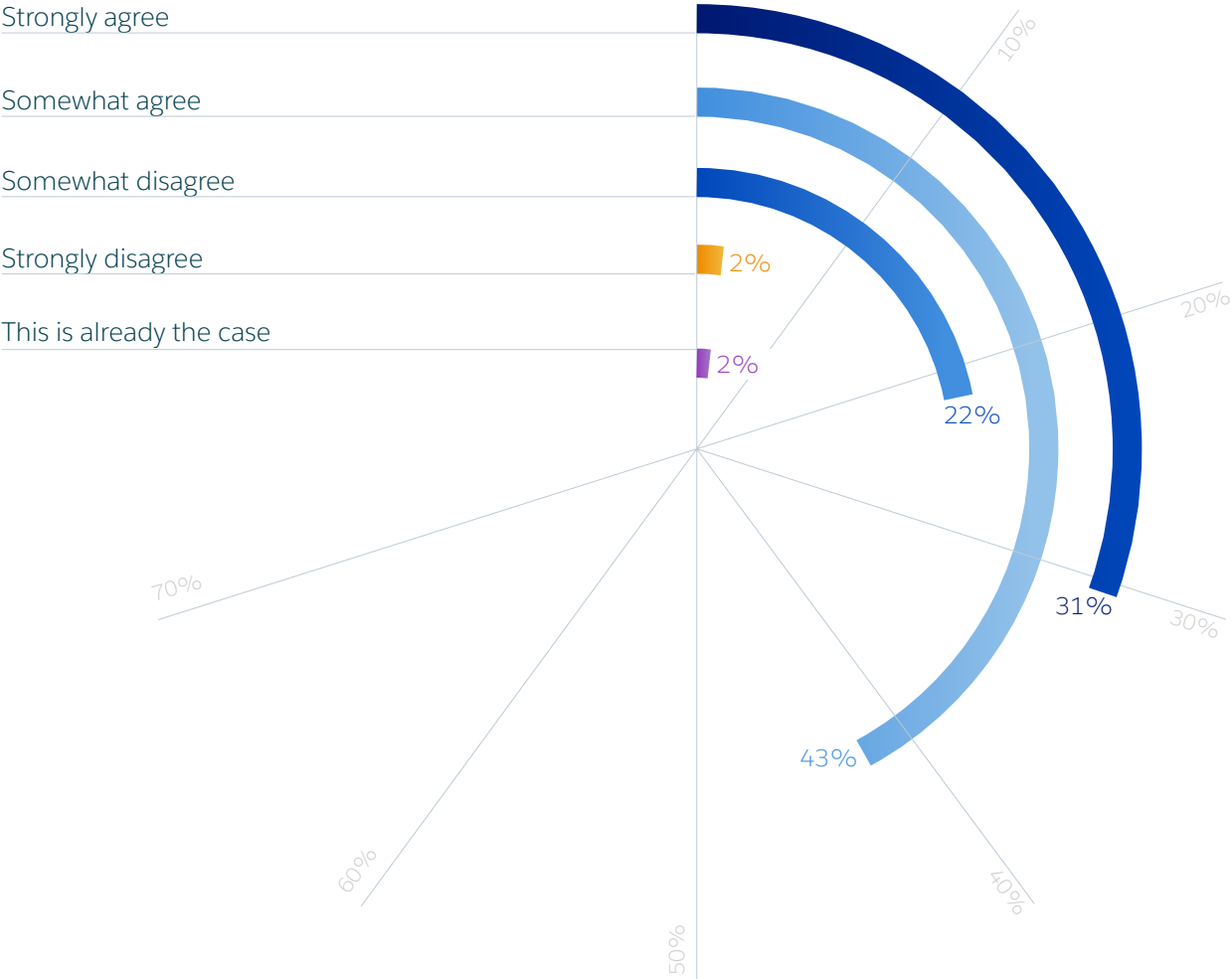
14. Now, looking to the future, how much do you agree or disagree with the following statements? (% who strongly/somewhat agree is shown)



III. The Future of Service Technology

Perhaps most importantly of all, executives understand that their overall business models are changing, as 74% strongly or somewhat agree that within the next 10 years products will become “loss leaders,” while services (like data and maintenance) will be the primary revenue drivers of their companies.

15. How much do you agree or disagree with the following statement? Within the next ten years, I believe products will become “loss leaders” where services (e.g. data, maintenance, etc.) will be the primary revenue drivers for my company.



V. Methodology

This study was conducted online within the United States by Harris Poll on behalf of Salesforce, February 1-17, 2016 among 237 U.S. adults 18+ who met the following criteria: U.S. resident; age 18 or older; title of director or higher; employed full-time in one of following industries: manufacturing, consumer products/consumer goods, heavy equipment/construction and agricultural machinery, automotive, or oil and gas; employed in one of the following functions: production/operations, information technology, customer service, retail service/retail service operations or field service/field service operations. Data were weighted by number of employees to bring them in line with their actual proportions based on Dun & Bradstreet 2016 data. All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.

