

## HEAVY EQUIPMENT INDUSTRY

# INDUSTRY CHALLENGES AND FIELD SERVICE AUTOMATION SOLUTIONS

January 2016. Knowledge Brief . Part 1 of 2 . Industry Challenges

This knowledge brief will explore the challenges in the heavy equipment industry. Its purpose is to provide high-level insight into how manufacturers and dealers may address these issues.



### THE STATE OF THE FIELD SERVICE INDUSTRY

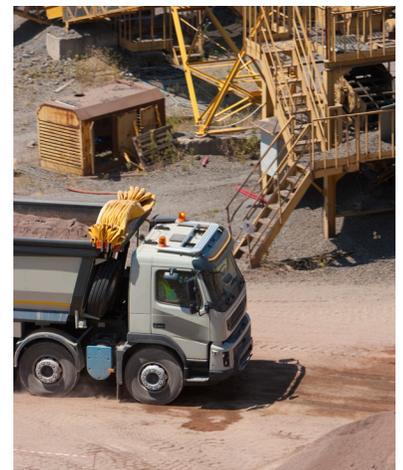
The heavy equipment industry is currently in a state of flux because its recovery from the Great Recession is far from complete. While some sectors are seeing growth as a result of increased global demand for construction equipment, other key sectors are struggling to sustain operations at the level of previous years and are implementing reduction in force actions. Beyond the industry sector effects upon their businesses, a number of macro-economic effects are placing pressure on performance. Downturn in the BRIC economies, combined with a very strong U.S. dollar, is having a double-negative impact on the heavy equipment industry. Manufacturers and dealers alike are being forced to identify areas where business operating costs may be optimized while seeking continuous improvement in customer service activities, equipment support and customer satisfaction.

The high dollar investment related to the production and purchase of heavy

equipment adds further pressure on the OEM/dealer/customer relationship. A 175-ton truck-mounted crane can cost \$1 million to produce; off-road trucks reach upwards of \$5 million; even a small piece of equipment such as a loader can cost upwards of \$50,000. Contractors, operational executives and fleet managers who make investments in this equipment depend on it to remain operational. Failure to do so has severe impacts – project delays, cost over-runs, lost production, fines or penalties, jeopardizing future revenue and lost customers. Because of these potential impacts, equipment maintenance, responsiveness to service issues and high customer expectations are fundamental to retaining business and keeping customers committed to the equipment brand.

Manufacturers rely upon dealers to protect the customer relationships and brand reputation. Dealers, on the other hand, are under increased pressure to compete and increase sales in their territories. Although it may be unlikely for a customer to change dealers due to poor service alone, they will if they feel their current dealer is not

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delivering the level of service they need. Maintaining a workforce of quality field engineers is key to successfully meeting these needs. Due to the limited availability of such engineers, this has been a difficult task in the past; however, field service automation solutions provide the tools necessary to meet these challenges.

## CHALLENGES FOR HEAVY EQUIPMENT DEALERS

Dealers are the lifelines to customers for heavy equipment manufacturers. Their field engineers are responsible for managing and maintaining good relationships. Even well-established dealers can be irreparably damaged should they fail to help customers prevent and manage equipment downtime. Dealer service must keep machines up and running as a foundational part of the customer service strategy.

The emergence of intelligent machines is expanding the challenges that dealers and their field engineers must manage. New technologies, such as telematics systems, machine-to-machine communications and self-diagnostic equipment are rapidly changing the traditional dealer-customer engagement model. Unfortunately, the advancement of technology may stop there as dealers often employ manual or semi-manual service engagement models. Field service automation provides the system and metrics that dealers benefit from by delivering visibility into customer-facing, field-related service activities to identify service optimization opportunities and field engineer performance.

Milwaukee-based human resources consulting firm ManpowerGroup surveyed 5,000 U.S. hiring managers for their 10th annual Talent Shortage Survey 2015: For the 6th consecutive year, hiring managers identified the number one hardest jobs to fill in the U.S. as skilled trade vacancies. Like many industries today, the heavy equipment industry is facing a shortage of qualified service engineers to do the necessary work to support their customers, placing added pressure on

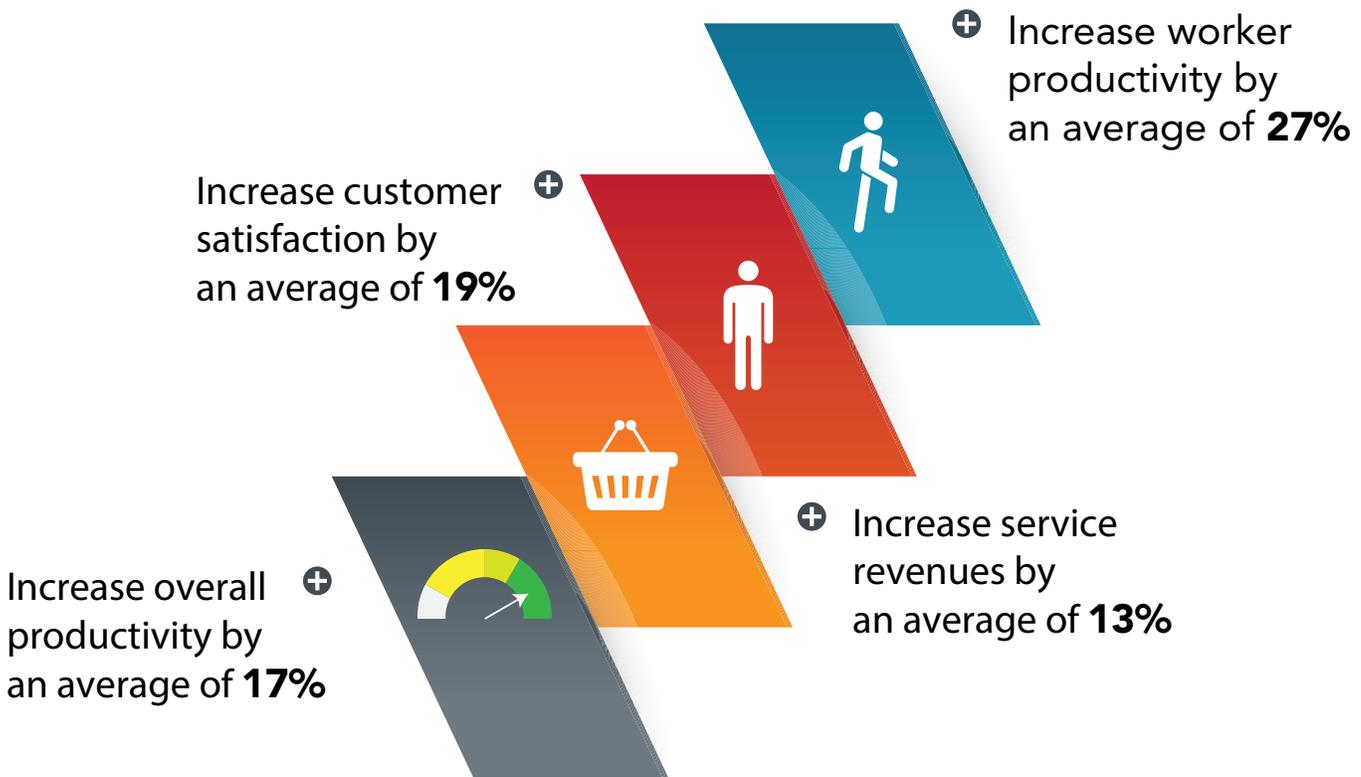
Field service management solutions provide actionable insights into field-related operations, empowering dealers to adjust business practices where needed. Through this, they can deliver a quality experience to retain customers and employees alike.

existing field engineers to do more in less time to keep service levels high. For an industry that is dependent upon servicing customers on-site, hiring and retaining quality workers is consistently a top concern for business leaders.

Heavy equipment dealers are tasked with creating a workplace that is less stressful for current field engineers and attractive to new talent. Reducing the number of administrative tasks that workers must perform per job and at the end of each workday helps to court the best talent. The introduction of easy-to-adopt field service automation resolves this issue, while also delivering the unprecedented insight into customer-facing activities that affect business stability and growth.

Learn more about using field service automation to address challenges in the heavy equipment industry at [www.fieldaware.com/industry/heavy-equipment](http://www.fieldaware.com/industry/heavy-equipment).

Research firm Aberdeen Group's study of the impact of mobile field service automation solutions found that when used effectively, mobile field service automation could:



FieldAware is the only field service management solution that was originally created to be a mobile application. We push for innovation so we can stay ahead of our customer needs. Our platform is solid and we test and re-test each update before we launch new features to our customers.