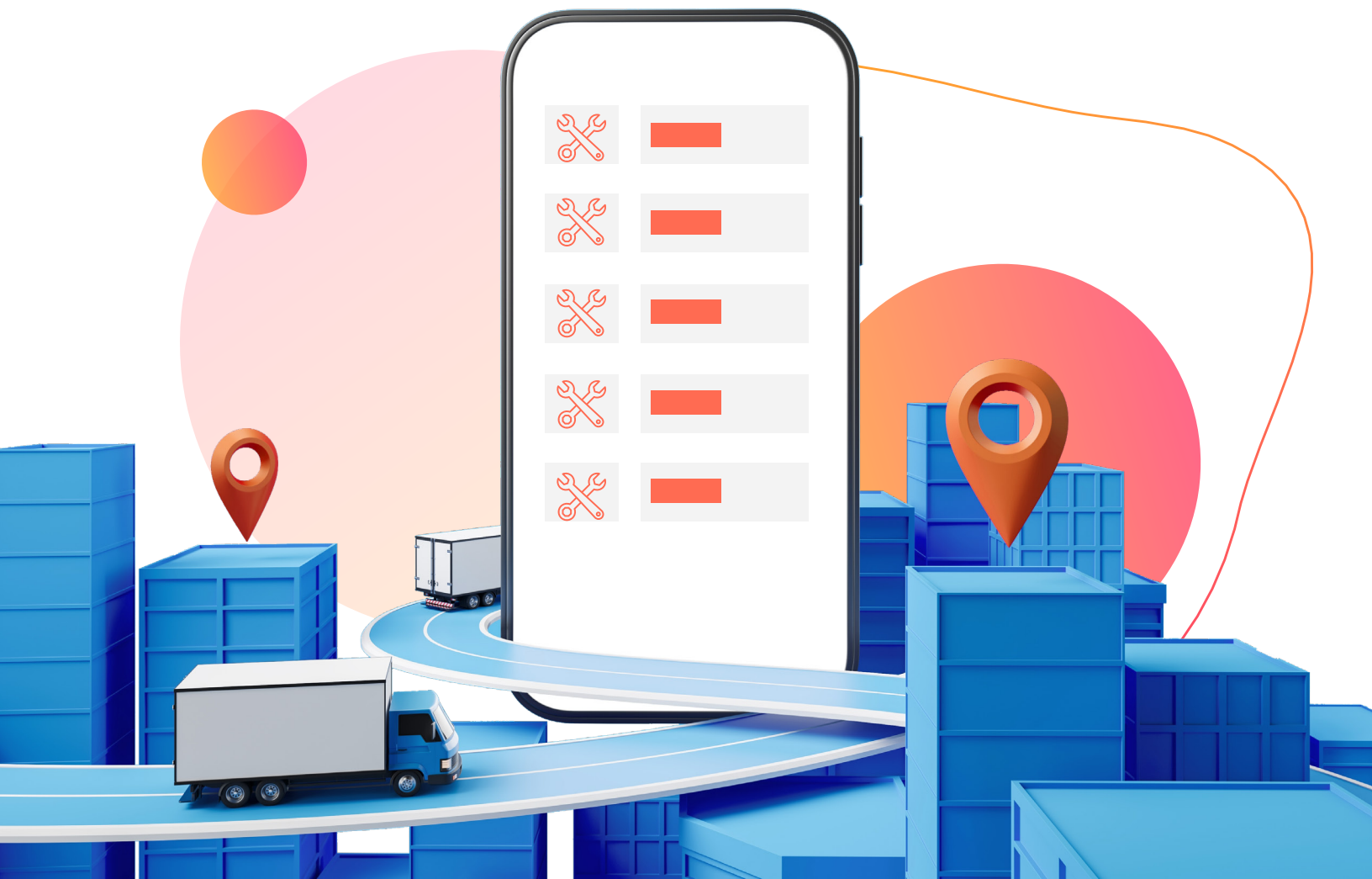


Parts Availability and the Big Oops

Why parts availability is essential to field service success.





Over 35% of field service dispatches roll without checking parts availability first.

The availability of correct replacement parts is critical to field service success, but just-in-case stocking of the warehouse has a steep price. Tech-savvy field service organizations (FSOs) are learning that parts visibility and access to easy parts ordering may be a more cost-effective way to address parts management and field service success.

In this paper we'll discuss the importance of parts availability and visibility, how technology can help field service organizations manage parts, and why giving technicians access to information helps resolve service requests quickly and keeps customers satisfied.

Why do Parts Matter?

“The ability to resolve an asset or equipment issue often depends on having the right service parts at the time of need,” says Aly Pinder, Research Vice President, Worldwide Aftermarket Services Strategies, IDC. “Too often service parts planning is considered an afterthought but this aspect of the service life cycle is becoming more critical as the complexities within the service network expand,” he says.

A service vehicle well-stocked with routinely used parts helps technicians quickly resolve service requests. Yet, according to [Deloitte](#), 36% of FSOs do not confirm that trucks are stocked with necessary parts prior to dispatch.

This oversight can be costly. If the necessary part isn't on the service van, disruption cascades through the organization, involving the service desk, warehouse, procurement, and dispatch. A series of frantic calls trying to find or order the part, extra trips to the parts warehouse, and scheduling of return service calls must take place, all of which can add days or weeks to resolution time and risk alienating the customer. Extra fuel costs and lost technician productivity are other downsides.

The technician or a delegated support person can spend hours chasing one part and taking focus away from other tasks. If this happens often, the entire service operation becomes inefficient, hurting profitability and customer satisfaction. Smart FSOs realize this type of disruption to processes is not sustainable and change is necessary.

Getting to the root cause of poor parts management is the first step.



“Lack of repair parts is the leading reason for failing to complete a service call. If parts aren't ordered until after the technician arrives at the customer site, or if the technician must wait for lengthy periods at the depot to pick up parts before arriving, (technician) utilization will take a nosedive.”

- Sarah Nicastro, Editor,
[Field Technologies](#)

The Factors Influencing Parts Availability



Inadequate safety stock levels.

The procurement team may be following safety stock levels that are outdated or insufficient. Understanding current demand helps set appropriate safety stock levels.



Lack of accurate forecasting.

Predicting demand for every SKU on an extensive parts list is difficult, especially today as models and related parts tend to change quickly. Predictive [analytics](#), powered by [Artificial Intelligence \(AI\)](#), will help organizations be better aware and prepared for spikes or downward slides.



Poor vehicle stocking.

Perhaps parts inventory is sufficient, but stocking of the service vehicle is problematic. It may be necessary to increase how often the vehicle is restocked or shift the timing for re-stocking.



Multiple brands.

If the service team provides service for multiple brands and products, critical decisions about which parts are stocked on service vehicles must be made. A solution may be to have technicians and vehicles assigned by brand, limiting the need for cross-brand stocking.



Vehicle capacity.

The organizations may be using vans that are ill equipped to hold sufficient parts and tools to sustain a technician's routine day of service calls. Upgrading service trucks may pay off.



Location of parts depot.

If there is only one parts warehouse servicing a large region, the drive-time to the warehouse to restock or obtain a special part can add significant drive time to a service request. As fuel prices escalate, some organizations are finding that having multiple parts hubs is helpful.



Supply chain complications.

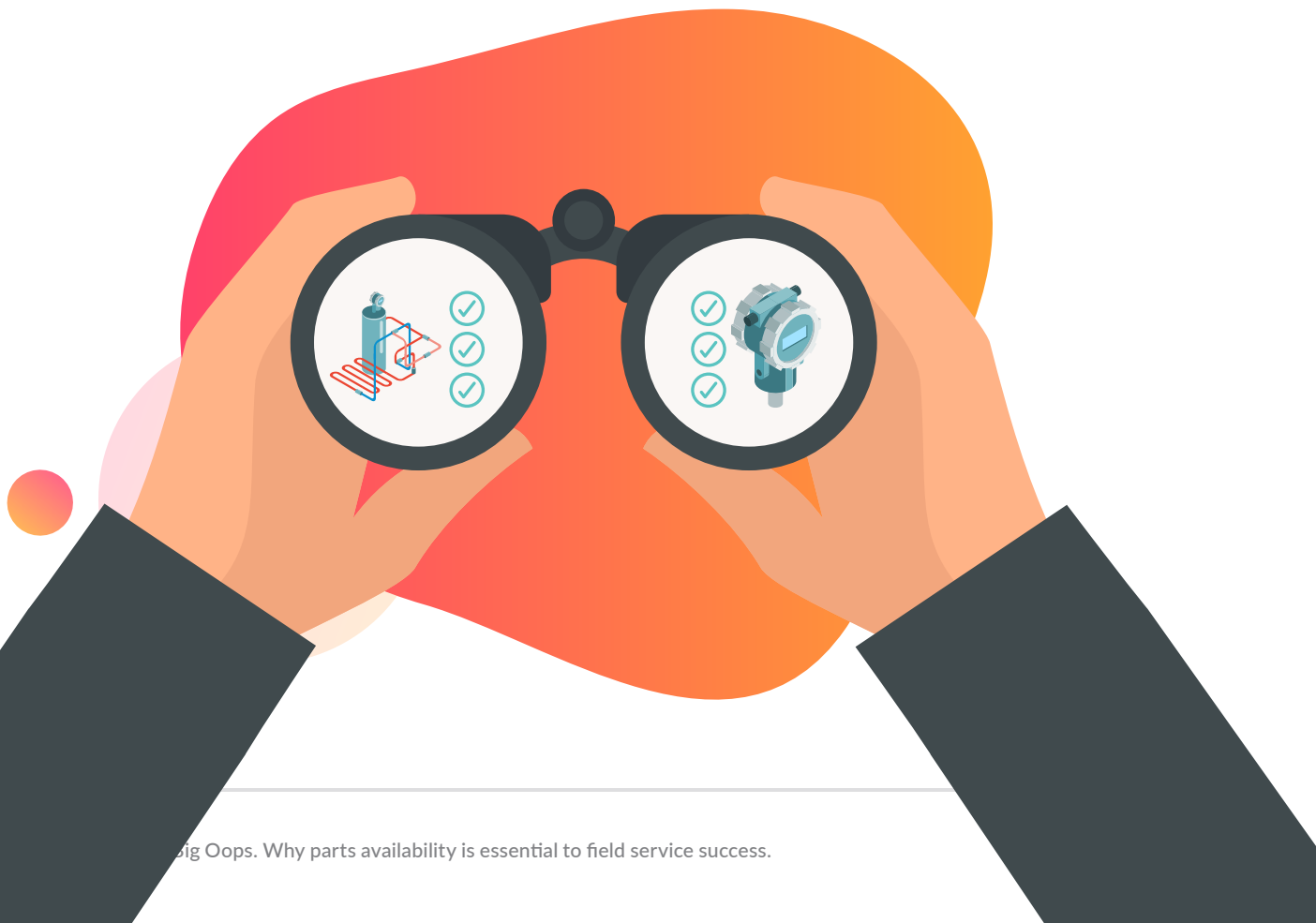
Global shipments today are experiencing increased disruption. The [Service Council reports](#) that service companies consider supply chain issues among the top three concerns today. Market volatility, regional conflicts, labor strikes, shipping lane congestion, and port bottlenecks are all factors that cause deliveries of parts to be delayed.

What's the Answer?

Multiple supply chain experts offer advice about building a more resilient pipeline of parts and supplies, including the White House responding to several dire shortages. A [recent brief](#) offers tips such as diversifying parts suppliers or buying only from local resources. Better predictions of needs will also help organizations avoid surprises.

But the common answer to poor parts availability is to increase [safety stock levels](#). Replacing just-in-time strategies with just-in-case precautionary procurement does reduce the risk of stock-outs and empty parts bins. Of course, this peace of mind has a cost and impact on cashflow. For risk-averse organizations the cost may be acceptable, no matter how high.

It's not just about capital. Overstocking also impacts warehouse space. Excessive inventory may mean parts become obsolete before being sold. Or seasonal items, like parts for grills or swimming pools, may consume valuable warehouse space for 12 months or longer before being needed. So, while increasing stocking may help with parts availability, upping inventory levels for every part may not be practical or realistic. Today, FSOs must be smarter.



How is Parts Visibility Different?



Parts visibility also deserves attention. “Visibility is becoming increasingly more important as service supply chains grow more complex. And yet, nearly half of service leaders say that they don’t know where parts are. 43% of respondents said that poor visibility into available parts across the supply chain was the biggest challenge their service parts business currently faced,” says the [Service Council](#).

Visibility refers to the ability to see where parts are inventoried, the parts on order, and expected delivery of parts already in transit. The ability to place a parts order and know when it will arrive is also important. Perhaps the most important aspect of visibility, though, is who has this access to information, when, and where.

The field technician needs real-time, remote access to parts information while in the field. Modern field service software with mobile access makes this possible. The benefits are extensive:

No wasted trips. Real-time remote access to inventory status eliminates wasted trips to the warehouse only to find the part is not in stock, is backordered, or is on another service vehicle.

Access to the knowledge base. Mobile access to information means more than just inventory status. The knowledge base and service training tools may help the technician determine the right part needed or possible substitutions if that one is unavailable. Also, fellow technicians may have noted other repair insights about that specific model and parts which may be helpful. The ability to access this information from mobile apps is critical. Mobile solutions put valuable information in the hands of technicians

when and where it is needed, improving efficiency and speeding resolutions.

Well-informed decision making. The field technician can make timely decisions about the best way to proceed, making sound recommendations over repair-versus-replace questions. This information can help set realistic expectations, essential to customer satisfaction.

Customer alignment. Consumers today appreciate communication and accurate information on timing and costs. The customer may decide waiting for parts is acceptable or may opt for replacing the unit if the wait is too long or will bring uncertain results.

Quick ordering. Some field service solutions, like ServicePower’s field management platform, integrate directly with parts ordering solutions so that the order can be placed quickly from the field. The consumer and technician both have visibility into the arrival time. The technician can then schedule the return visit for installation while keeping the customer informed.

Expedited parts shipment. A relationship with a third-party parts supplier may be the best way to keep replacement parts close-at-hand without overstocking the warehouse. Visibility to the resource is important for both the service provider and customers.



Turning to Technology

Modern field service technology helps organizations face pressing issues like parts availability and visibility.

- **Cloud deployment** provides real-time accuracy and easy access to critical parts data. Information can be accessed from remote field locations using mobile devices.
- **Analytics and reporting tools** help managers make strategic decisions about safe inventory levels for replacement parts.
- **Mobile solutions** allow technicians to stay informed, inquire about parts availability and scheduled deliveries of parts, and order parts if needed. They can also make recommendations to customers about repair options, record decisions made, and log call resolution.
- **The service technician's connectivity** to the central service solution supports accurate billing and helps keep inventory accurate. Parts used in the service call can be removed from inventory in real-time, so parts availability is always accurate.
- **Collaboration with customers** is enhanced through online portals which allow technicians to communicate if a part is available or the service call needs to be rescheduled. Communication helps maintain customer satisfaction.
- **Modern mobile solutions with point-of-sale capabilities** make it easier for technicians to sell parts or replacement units in the field. Technicians are often seen as trusted experts and tend to have high close rates.
- **Optimized scheduling solutions** help assign the right technician and right service vehicle to each service call, supporting vans being designated and equipped for particular product lines or models.
- **Real-time communication** with dispatch means the available technician can be routed to other calls. No spare minutes are wasted.

Final Takeaways

Access to parts is important to resolving service requests. Maintaining adequate inventory levels is important to availability. Unfortunately, some factors, like supply chain disruption, complicate setting optimal just-in-case levels. Over-stocking can have downsides like tying up cash and valuable warehouse space.

On the other hand, improving parts visibility with a modern field service management solution has only positive repercussions. Solutions help track inventory levels in real-time and give technicians access to data about where parts are located or when they may arrive. [Mobile solutions](#) are key to giving technicians easy access as close as the palm of their hands. Integration with a third-party parts ordering application also has major benefits, such as simplified and streamlined parts ordering capabilities.

Field service organizations have many options for improving parts management. Picking the right answer requires due diligence and understanding the issues and solutions available.

As a global leader in field service management, our solutions are designed and built with a focus on providing your customers with an exceptional experience, while delivering operational efficiencies and digital transformation capabilities. Our secure and flexible solutions provide organizations with the ability to optimally manage their workforces, while increasing revenue, improving the customer experience, and reducing costs.

“ServicePower has been a game changer for us through the years. Its automated AI-powered scheduling improves our workforce productivity and customer satisfaction daily, with every customer interaction, resulting in increased profitability for Siemens.”

- Pre-Job Process Owner, Siemens

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