

AGRESSO POISED TO OVERTAKE THE FIELD SERVICES MARKET

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Overview: Companies in the services industry need both asset and field services management, but current integrated asset and field services maintenance systems often fail to meet these organization's needs. At Agresso, we are offering a solution that meets these needs as part of your enterprise resource planning system.

Both the U.S. and Europe continue to move away from manufacturing toward a more services-centric economy. The twin factors of workforce mobility and inherent "change" that are tied to people-based industries has spawned a host of new technologies, software applications, and support structures. Simple customer relationship management (CRM) strategies have birthed new wired and wireless field services management, remote asset management, and transportation logistic operations. Time clocks and time sheets have been replaced with digital time and billing systems, much the same way that parts and materials order inventory and control systems have nearly achieved the ultimate goal of real-time analysis and reporting.

In short, a new business order has emerged, one of people- and project-based organizations with diverse and ever-changing needs. Professional services (and public sector) businesses are no longer just the bastion of doctors, architects, lawyers, and the Maytag repairman, but rather an intricate network of interconnected operations. And, like the ad slogan goes, when it comes to solutions supporting people-centric businesses, it's just not your father's Oldsmobile anymore—unless you are talking about the tether between field services and asset maintenance which has struggled to lose its disjointed "old world" image.

At this juncture, we at Agresso, an international enterprise resource planning (ERP) software company with more than 2,700 customers worldwide, have bridged the gap. The Agresso product line has reached a level of deep product maturity, integration, and flexibility to perform agile field services *and* asset maintenance with a new combined asset maintenance and field services product called **Agresso Field Force**.

The Challenge

Despite the huge capital outlays that businesses have sunk into their ERP, order handling, contract management, field services, enterprise asset management (EAM) and maintenance, and other disparate solutions, industry research continues to show a suboptimal track record for integrated field services and asset maintenance.

Asset management service organizations, such as those responsible for the building, maintaining, and management of malls or public housing, as well as utilities or IT business infrastructures, have had no easy way to tie in supporting technologies for mobile field management. Field services support technologies that are used to high-volume, low-price-per-order deals fall short operationally for the needs attached to singular large, complex asset development and maintenance cycles.

What's the suboptimal "fix-it" choice today for companies that need both?

Pick two best-of-breeds and lengthy, customized IT integration projects (which is expensive and time-consuming all the way around). And, even for companies that bravely take this route, the course is smooth for the short term only: these rigid, “fixed” solutions work well only until a change is required. Then the cycle of “business need-IT spend” returns for each and every change thereafter. It’s slow, it’s costly, and it’s never fixed for very long.

Or, as the IT buyer market continually drives toward a preferred one-stop-shopping paradigm, the choices have been less than optimal: The ERP providers generally force their customers to pick which solution is more important to them—one that favors the strengths of a strong asset maintenance solution, or one calibrated to nimble, constantly recurring field services needs. With almost no exception, if these solutions *should* happen to do both, there is always a “weak sister” (i.e., a weaker component) in the mix.

And finally, there is the reverse solution: a strong best-of-breed player that integrates tightly to a strong sister solution, but woe be to the services organization when the inevitable business change comes about via an acquisition, market or service expansion, or new regulatory compliance issue. You are going to rip, replace, and re-implement your solution yet again.

What’s more, the greater the disparities between the building and maintaining of large assets (against high-volume, small-order needs), the wider the solution gap. Think, for example, of an IT service provider installing the complete hardware and wiring technology infrastructure for a corporate headquarters, followed by servicing the individual *personal computer* (PC) and networking needs of thousands of users with small, individual maintenance issues. Those businesses and their accompanying models change rapidly, and they differ from contract to contract.

The giant ERP leaders have inflated buyer hope by heavily marketing the idea that expensive and time-consuming migrations to their newest *service-oriented architecture* (SOA) platforms will culminate in a panacea for disparate applications and siloed processes. However, without a tightly unified data, process, or delivery methodology underpinning these solutions (and without an inherently tight, pre-built, and optimized coupling of the broad capabilities demanded by asset intensive or project-based businesses), the user market will continue to be disappointed.

The ideal solution is a single product, from a single, reputable provider, that manages the mobile field services, operational, and asset maintenance needs via a change-oriented architecture. This solution should provide high-volume, remote field services management; unlimited contract and service model variations; and asset management and maintenance. Furthermore, these features should be incorporated into a framework that supports the achievement of short-, mid-, and long-term business goals, irrespective of any changes an organization undergoes.

Solutions Landscape

The IT solutions landscape offers a wide variety of solutions aimed at fulfilling one or more market requirements:

- Proactive, centralized asset maintenance and control strategies (preventative, predictive, and reliability-centered)
- Predictive maintenance parts and inventory management
- Contracts management
- Field services (human capital) management
- Reporting for regulatory or environmental compliance
- Reporting for government-mandated financial compliance
- Time and billing reporting and invoicing (often varied from client to client, based on contracts)
- Analytics aimed at cost-cutting, margin optimizing, or top-line revenue growth
- Analytics aimed at best industry practices (customer satisfaction-driven)
- Best practice human capital management (resource deployment)
- Mobile workforce communications and management (time-sensitive and agility focused)

Many vendors offer partial functionality to meet these requirements, however this landscape is in flux and it is likely that the vendor landscape will look very different in three years.

A recent report by a leading industry analyst firm advised that "Businesses considering purchases of field service software during the next 24 months have good reason to be concerned about their options, because *the market is in tremendous flux.*" This firm predicts that by 2010, 60 percent of the field service management suppliers will merge with, be acquired by, or acquire another supplier. "This will complicate purchasing decisions, forcing buyers to modify the weightings of buying selection criteria."

We concur with the general assumptions about what these consolidations will deliver: chaos for buyer decision making, as well as less-than-agile, poorly integrated solutions that miss critical parts. And what of the vendor knowledge required to support these product amalgamations?

"Until at least 2010, software vendors will lack the depth of knowledge required to be competent enough in each functional area to bring a full field service process suite to market," says the analyst firm.

There is continued evidence that people-centric services organizations in both the public and private sectors are under increasing pressure to streamline their operations and gain cost efficiencies. For some industries, such as utilities, energy, and real estate management, the divergent needs of managing large physical assets and recurring smaller service needs is a challenge.



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Until recently, these organizations have had few, if any, choices of systems that integrate field services and asset maintenance. But the Agresso Field Force solution offers these organizations a combination of features that address the following realities of services industry businesses:

- Large projects and small field services orders often must coexist within the same business model or operation.
- Financial controls and visibility must drive from both a bottom-up (individual project) and top-down (multiple reporting) perspective. Further, they must intersect appropriately for both performance management and for problem resolution.
- Complex pricing models carry inherent profitability, invoicing, and financial reporting challenges.
- Service contracts must be carefully managed, monitored, and enforced to balance the tightrope between customer satisfaction and business profitability, ensuring that the best and most financially rewarding customers remain long-term revenue generators.

Following are the capabilities delivered through Agresso Field Force:

1. Integrated business processes.

By tightly integrating customer, business, and operational data, and then providing role-based visibility to both operational executives and mobile workers, Agresso Field Force optimizes field services and asset maintenance decision making and controls at every level. The solution's capabilities span projects, procurement, financials, and *human resources* (HR), as well as workflow, reporting, and analytics.

Typically, customers will select Agresso Field Force as a complement to Agresso Procurement and Agresso Projects. By sharing a common data repository, customers can create their own inquiries and reports, manage changing business requirements on the fly, and intelligently analyze, predict, and plan around asset maintenance requirements. Agresso Field Force can also manage workforce evaluation and scheduling, project assignments, project tracking and completion, parts inventory or equipment management, and individualized reporting and billing.

2. High-volume field services management.

Agresso understands the inherent cost relationship between administrative tasks when they are tied to thousands of daily orders. Additionally, delayed, forgotten, or lost orders extract an equally painful price on an organization's bottom line—in terms of both immediate receivables and the potential for end customer dissatisfaction or loss. Thus, Agresso Field Force was designed with the capacity to handle up to 2,000 orders per day.

Agresso's "Service Order Central" design provides a comprehensive capability for managing all aspects of work orders in a high-volume environment:

- Users can register and maintain order data, which results in an auditable, consistent, flexible, and legally defensible historical record for organizations challenged with hundreds or thousands of recurring orders.
- The screen setup is user-friendly and intuitive, allowing employees both in house and in the mobile workforce to access key data, input orders, prepare invoices, and record activities.
- Status workflows are customizable and event driven, assuring that "next-step" actions are designated, tracked, and recorded to ensure they occur (or defended as to why they have not occurred).
- A special reporting tool stacks all order elements, providing the time, financial, and inventory management requirements needed by services organizations.
- The system can be accessed in several ways: in the office, via the Internet, or by using mobile devices. This ensures that mobile workforces are never out of touch.
- Role-based views provide security and data tailored to each mobile worker; job-specific information is conveyed simply and quickly.
- Both regularly scheduled and unpredicted, emergency repairs are easily managed. Mobile field communications can redirect work crews, juggle scheduling, and change the pricing attached to scheduled and unscheduled work.

3. Unlimited pricing and service model variations.

Agresso Field Force contains modeling capabilities to help organizations analyze, determine, and establish service agreements. With the ability to manage the parameters of time, maintenance schedules, workforce pay rates, parts and products needs, and customer demands or special needs, organizations are able to create and select from various complex pricing and service models that are in the best interest of the service provider, the inventory partners, and customers.

Additionally, Agresso Field Force is able to adjust to customer data changes, pricing increases, volume discounts, or workforce parameters, on the fly and without external IT intervention. Management has clear visibility to model known and unknown what-if situations that might have major bottom-line impact.



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By being able to set, manage, bill, and adjust pricing and service levels for high-volume individual contracts, Agresso Field Force provides a best-of-breed solution set with virtually no limit to the complexity—or creativity—service organizations wish to build into their pricing and service contracts. The solution can manage these multiple disparate contracts from both a workforce deployment and a financial-reporting perspective.

4. Embedded analytics and reporting functionality.

Agresso Field Force's embedded analytics and reporting capabilities flow throughout each of its field services and asset maintenance business processes. Organizations can build reporting structures and hierarchies that reflect the management and deployment of their field workforces. The Agresso ERP reporting umbrella provides full drill-down, drill-around, and analytic capabilities, from high-level information, down to transactional data, as well as relevant documents (purchase orders, invoices, contracts, etc.).

Service or customer inquiries and individualized or aggregated reports can be published to web sites, portals, and intranets for easy access by both traveling management and mobile workers. Ad hoc inquiries are made through an intuitive graphical user interface (GUI), which provides sophisticated analytics capabilities that can leverage opportunities or quickly change courses that cause financial or operational stress to the organization.

5. Agile mobile workforce support.

Field services organizations need the most agile field services technologies available to facilitate communications and reporting and to build cost efficiencies into the wide range of business processes performed off site. Just a few years ago, field operations revolved around limited thin client web capabilities that delivered rudimentary self-service business processes. Today, powerful mobile laptops, multifunction smart phones, and PDAs, as well as full-spectrum broadband communication infrastructures, all keep mobile workforces connected. The result is access to and exchange of reliable, up-to-date information, which speeds up the completion of jobs and accurate invoicing.

With Agresso's Field Force, such mobile devices are tightly integrated to role-based enterprise information in order to

- Reduce or eliminate costly and time-consuming trips back to the office
- Reduce or eliminate paperwork or reporting redundancies
- Access invoices, contracts, or service procedures to streamline service calls and visits
- Fill out and complete asset maintenance schedules for legal and preventative maintenance purposes
- Order parts and supplies quickly and cost-effectively to close out jobs faster and improve customer satisfaction
- Enter billable time against specific contracts to expedite accounts receivable activities

6. Asset management and maintenance.

In asset-intensive industries, the reliability and cost of maintaining infrastructure are critical components to an organization's success—top line, bottom line, and long-term business viability. Business processes for reviewing and improving upon asset and infrastructure maintenance schedules have become titles in the business book aisle, and speech fodder for technology analysts.

Poor asset maintenance made global headlines with the near environmental disaster wrought by shoddy maintenance of oil pipelines in Alaska. What's more, the incidence of plant sewage overflows following rainstorms continues to embarrass water treatment facilities.

Field services operations are often tightly tied to the maintenance and management of critical organizational assets. These fall into three categories:

- 1) Preventive maintenance, which is based on proven, routine schedules and guidelines tied to infrastructure;
- 2) Predictive (pre-scheduled) maintenance, which is based on the timely analytics of recent field services emergencies, in cases where similar assets and structures exist elsewhere;
- 3) Unpredicted or emergency maintenance, which is tied to urgent essential infrastructures that fail and that must be serviced immediately.

Predictive maintenance has been positively impacted by the newest compare-and-contrast analytics, where "sensing" technologies have been added to the mix. The more sophisticated, reliability-centered maintenance guidelines infuse a deep understanding of equipment specifications, needs, and priorities (overlaid by financial and personnel resources) to plan maintenance activities.

Unpredicted, emergency service of assets can have a huge negative margin impact. An organization's ability to use a combination of Agresso Field Force's analytics, workforce, and communications capabilities can minimize the impact by redirecting scheduled work, workforce crews, and scheduled commitments to meet financial and customer needs.

One of Agresso's greatest strengths and differentiators from other enterprise solutions providers is its ability to tailor its solution to the unique requirements of each customer—both in the pre- and post-implementation phase. Regardless of the type of asset maintenance schedule desired—whether accommodated for outsourced service teams or internal service teams—Agresso can create a complete framework for scheduling, cost, time and billing, best practices, analytics, and reporting.

Both Market Segments Growing Rapidly

In April 2007, **IDC Research** published a report titled *Worldwide Enterprise Asset Management 2007–2011 Forecast: No Longer a Sluggish Backwater* (IDC, April



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2007, Volume 1, Product, Project and Portfolio Management Solutions: Market Analysis), claiming that the world of asset management growth is no longer the “sluggish backwater” (having backward or slow-technology solutions) it once was. IDC reported the worldwide EAM market in 2006 to have reached over \$1.3 billion (USD), with \$1.1 billion between the Americas and Europe, the Middle East and Africa (EMEA). It projects year over year revenue growth to exceed 7 percent per year, and to grow to \$1.9 billion (USD) by 2011.

As proposed in this paper’s preamble, the definition for both field services and for asset management has grown deep and multifaceted tentacles. Here is IDC’s definition of the latter:

Enterprise asset management application software automates the many aspects of asset management and maintenance, repair and overhaul (MRO) operations (e.g. machinery and equipment, buildings, or grounds). The software generally includes functionality for planning, organizing, and implementing maintenance activities, whether they are performed by employees of the enterprise or by the contractor. Typical features include equipment-history record management, descriptions of items maintained, scheduling, preventative and predictive maintenance on the assets, work order management, labor tracking (if integrated within the maintenance management applications), spare parts management, and maintenance reporting.

The report continues,

... service providers are increasingly under pressure to maintain their assets and facilities, as well as those of their clients, in optimal working order to satisfy their end customers. Integration with PLM (product lifecycle management), ERP, and CRM solutions will provide service organizations with access to product information, including engineering data, materials and services purchasing, manufacturing planning and service scheduling ... and services contract and warranty management.

In a separate interview, Gisela Wilson, Director, Product Life-Cycle Management Solutions and the author of the IDC report, says, “There aren’t a lot of companies that have attempted to do both EAM and high-volume, low-ticket field services—yet the demand is there. The big ERP players have attempted acquisitions to knit both pieces together, but the benefits are lagging due to poor integration and change capabilities. Buyers haven’t been able to get their ideal mix of change-resistant integration, plus deep rich functionality in both pieces. Something always comes up short.”

Mary Wardley, IDC’s field services guru and Vice President, Enterprise Applications and CRM Software, also advises that the field services and asset maintenance hybrid has either been a disconnected free-for-all, or a no-man’s land, depending upon your point of view.

"To date, the traditional vendors on each side have made some wrong assumptions about what the buyer wants," Wardley says. "The emerging new field services/asset maintenance model is somewhere between ERP and front office. It's easy to see why initial efforts to join the two pieces have failed: field services vendors are traditionally a downstream piece of CRM, so they are struggling to understand the nuances of back office, asset management operations—like inventory management, logistics, product information management, parts management, etc."

Conversely, the asset maintenance vendors are not nearly as comfortable with the analytics and mobility necessities required of the field operations piece. "These are people who have serviced assets—like cell towers, utilities, shopping malls," Wardley said. "They were on nice, comfortable maintenance schedules that were regular, predictable, with more stabilized time/billing/parts. This is a very different world from rapid-response, 'I've broken it' service needs. The two solution sets have been speaking different languages for years ... and it will take time for many of these vendors to understand each other and mesh well."

Wardley also concurs that Agresso's Field Force provides a compelling solution in blending the two applications. "Agresso has done a comprehensive job in delivering the analytics, financial controls, mobility, scheduling, inventory, contracts, pricing, and billing capabilities tightly into one solution," she said.

People-centric Business Expertise

Agresso is a global leader of fully integrated ERP solutions for companies in the professional services and public sector for more than 20 years. With 2,600 customers and over 10,000 deployments operating in 100 countries, more than one million users use Agresso's solutions to run their businesses. The company markets its solutions under the Agresso Business World brand.

Agresso's deep understanding of people-centric organizations has led the company to achieve a number one market leadership position in the public sector of several European countries. Our customer base is almost evenly split between the public and private sectors.

About Agresso

Agresso (www.agresso.com/usa) is a \$480 million enterprise resource planning (ERP) company, listed in the Netherlands as Unit 4 Agresso (Dutch Stock Exchange Euronext-U4AGR) and one of the top five providers of ERP solutions for professional services and public sector organizations. Agresso offers a uniquely integrated data/process/delivery architecture designed specifically for Businesses Living IN Change (BLINC)™. Agresso is known as "The ERP Market's Definition of Agility" as it allows an unlimited amount of ongoing, post-implementation changes without the typical external IT costs and intervention that nets billions of dollars in revenue to the market leaders. Over 2,750 companies and organizations in 100 countries deploy Agresso Business World for both operational support and strategic management. The company's role-based, Web Services and Services-Oriented Architecture (SOA) enabled solutions include: Financial Management, Human Resources and Payroll, Procurement Management, Project Costing and Billing, Reporting and Analytics, Business Process Automation, Field Services and Asset Maintenance, and CRM.



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