

## How **Proactive Service**<sup>®</sup> can be a Differentiating Business Strategy

*“When service firms think of business development as a tactic, they tend to focus on short term activities that may achieve immediate gain at the expense of long term growth.”*

Enlightened companies are investing in training to engage their field service technicians in business development activities. From our experience of working with firms across several service industries, the results have been positive for the service firm as well as the customer. Despite this critical step forward, however, we feel that most service firms are not fully capitalizing on the opportunity and, as a result, not fully realizing the growth and profits that are available to them.

Perhaps the key reason for this is because business development by service technicians is often regarded by management as a tactic to be employed to build new business, rather than a strategy to impart a superior service experience. This subtle difference in perspective can mean a large difference in approach – and long-term results.

When service firms think of business development as a tactic, they tend to focus on short-term activities that may achieve immediate gain at the expense of long-term growth. A tactical approach focuses on the question: *“How can I get my service technicians to be more assertive in promoting our products and services to our customers?”*. There is nothing inherently wrong with this. Anytime a service technician can use their experience and their understanding of the needs of the customer to help the customer

operate smarter, they are adding tremendous value to the service they provide.

Treating business development as a tactic does have a down side however. Short term, tactical thinking can sometimes lead us to think of how the customer can serve our needs rather than the needs of the customer. We may look at the opportunity in terms of *“... let’s leverage our customer relationships to win more business.”* In addition, a short term, tactical approach may obscure much larger opportunities to truly build a differentiated service offering.

**Proactive Service**<sup>®</sup> is a longer term, strategic approach to integrate the service technician into the business development strategy. It helps the service firm to refocus its efforts in ways that better serve the customers’ needs rather than their own. Their thinking changes to *“... how can we profitably serve the customer so well and so uniquely that they would never think of going anywhere else”*. Previously overlooked opportunities come to the fore. The service firm begins to look at strategies that formalize the day-to-day opportunity identification efforts of the technician into an integral component of their service rather than an add-on to it.

Through this effort, they find new opportunities to differentiate their service and engage the

customer in the process to gain their permission to act proactively.

### Formalizing opportunity identification into the service deliverable

Let's go back to the question *"How can we serve the customer so well and so uniquely that they would never think of going anywhere else?"* As service providers begin to think of the relationship that they have with their customers from this point of view, they begin to focus on the specific needs of the customer that the technician can address. They ask themselves, *"How can we help the customer to survive and thrive in their own competitive markets through the services and products we offer?"*

From this perspective, finding new opportunities to help the customer becomes an integral part of the service deliverable rather than solely a means to increase revenues for the firm providing the service. The end result may be the same (expanded service business for the service company), but the role of the service technician in the process has subtly changed. As a strategy rather than a tactic, the service provider can start to implement specific tools and processes that formalize this "opportunity identification" role. For example:

Initial assessment meetings on new contracts that not only outline the work that is to be done, but explore at length the challenges and goals of the customer as they relate to their building and/or production processes.

Formalized annual review meetings to track progress to date and identify changes to strategy or conditions. These meetings can be used to provide a forum to build on the relationship – not just at the service technician level but at the senior level as well. The review meeting also allows the service firm to remind the customer of all of the good things it did over the previous 12 months within the

context of what is most important to the customer.

Less formal but equally important quarterly or semi annual walk-throughs with operational personnel to showcase work and discuss new opportunities. These meetings can also be used to revisit previously quoted opportunities that have not been acted upon to ensure that nothing falls through the cracks.

### Differentiating the Service Approach – Giving Customers your Heads as well as your Hands

A formalized opportunity identification approach to service can be used as a differentiator from your competitors. Imagine the approach to a new prospect.

*"Ms. Smith, here at ABC Services Inc. we realize that you are faced with increasing competition resulting in tremendous pressure on pricing and profitability. We would like to offer you a service that goes beyond simply excellent maintenance. We would like to work with you to not only ensure your equipment runs as efficiently and cost effectively as possible, but to use our knowledge and expertise to make proactive suggestions that will help you to be more successful. To paraphrase on an old concept, 'in a traditional service provider relationship, you hire the hands of the service firm. At ABC Services Inc. we also offer you our heads'. Our technicians are experts in their fields and are trained to use that expertise to identify ways that you can run your facility/plant/hospital/etc. more efficiently and effectively ..."*

Now, if the customer sees value in working with you in this way, then they will give you permission to look for opportunities and they will appreciate the added value this approach provides. Of course, such an approach has to be backed up with capability and processes. Failure to do so will result in a very disappointed customer.

## Skills and process development

There are implications from this approach on the skills and processes taught and used in the service providing company. From a process perspective, for example, because lead handling becomes just as important as lead generation, the successful firm will have to ensure that they have an air-tight process for handling leads from the field and following up on them in a timely manner.

Metrics could be developed and used to measure performance. This in itself will ensure that the importance of this process gains a high level of visibility throughout the service providing organization.

Skills development is also an integral part of the strategy as well. Service technicians will have to become as good at interpersonal skills as they are with their technical ones. Service management will need to be skilled at coaching and become involved in opportunity management. Training on these interpersonal and communication skills will be seen as critical to performance, which in itself will drive improved learning and skills adoption.

## Conclusion

Service companies are increasing the value they offer their customers by actively engaging their field service technicians in their business development activities. By looking at business development activities by field service as more than simply a tactic to build sales revenue but more as an integral part of the service deliverable that adds value, firms can find new and innovative ways to differentiate themselves through their service approach.



Jim Baston is the authority on **Proactive Service**<sup>®</sup>. He has worked with thousands of technicians and their management teams to help them transform the service experience and reap the rewards of windfall profits that were locked in business relationships. He is author of **Beyond GREAT SERVICE – The Technician’s Role in Proactive Business Growth**