

Field Nation proves to be a winning proposition for OEMs



CUSTOMER

Fujitsu North America enables clients to meet their business objectives through integrated offerings and solutions, including consulting, systems integration, managed services, outsourcing and cloud services for infrastructure, platforms and applications; data center and field services; and server, storage, software, and mobile/tablet technologies.

CHALLENGE

Managing the peaks and valleys of field service demand, and reducing overall service delivery costs

SOLUTION

Augment their workforce with on-demand labor from Field Nation to support their POS, desktop/laptop, server hardware/software, and kiosk needs

RESULTS

- \$35,000 in savings per technician
- 50% lower labor rates
- 15% savings per work order
- Improved SLA compliance

Navigating seasonal demand

On-demand labor platforms are not just for small or mid-sized companies. While they can help these companies become more flexible or gain access to new talent, they also provide tremendous benefits to very large Original Equipment Manufacturers (OEMs).

Fujitsu North America, a leading provider of technology solutions and multivendor services, undertook a strategic initiative to mitigate the high cost of field service delivery. Fujitsu was experiencing challenges with managing the peaks and valleys of field service demand. These challenges are driven by seasonality factors within the retail industry. Typically, Fujitsu experiences peak demand for project work (e.g., roll-outs, moves/adds/changes, and installations) during the retailers' slow season. This occurs for obvious reasons. It is too costly for OEMs like Fujitsu to staff to peak demand; doing so would be a losing proposition. On the other hand, staffing according to the valleys or average, annual monthly demand levels could lead to situations where Fujitsu misses SLA targets and loses customers.

Technician rates on the Field Nation platform are approximately **50% lower than a fully-burdened hourly rate of a full-time employee.**

Scalable success

Fujitsu found that it can balance out the peaks and valleys in demand for projects by implementing a blended workforce model — effectively augmenting their W2s with on-demand labor. The company turned to Field Nation for skilled technicians to support this new business model — finding reliable resources to support their Point of Sale (POS), desktop/laptop, server hardware/software, and kiosk needs. As a result, Fujitsu could finally focus its full-time technicians on emergency demand work.

The best of both worlds

Fujitsu's success with the platform led them to utilize it for another part of their service business known as *Technical Courier*. This service dispatches freelance technicians to the customer site to install and replace parts that are already delivered to their site through an advanced exchange program. It was developed because a segment of Fujitsu's customer base wanted to receive the financial benefits that come with the advanced exchange model. However, they lacked the personnel on staff to properly replace defective parts with new ones, and return the defective cores back to Fujitsu.

Extraordinary financial benefits

The financial benefits to Fujitsu of using the Field Nation platform for project work and technical courier service are numerous. According to Ray Caul, Vice President of Retail Managed Services, Fujitsu is able to reduce costs by 33% per technician. These savings come from several areas.

First, technician rates on the Field Nation platform are approximately 50% lower than a fully-burdened hourly rate of a full-time employee.

Second, freelance technicians are paid a flat rate per assigned work order. Fujitsu does not pay contractors for travel time. As a result, utilization levels are higher and travel costs are non-existent resulting in a 15% savings per work order.

Third, Fujitsu doesn't bear the costs associated with recruiting and interviewing freelance technicians nor does it bear the expenses associated with conducting background checks on new candidates. This is a fee that is passed onto the individual freelancer on the Field Nation platform. Research indicates that the cost of recruiting a new hire can be as much as \$5,000 per person.



The net impact of these benefits, according to Caul, is that Fujitsu saves approximately \$35,000 per technician. This represents the total administrative, direct labor, and overhead costs associated with bringing on a new technician and keeping them on the payroll for one year. He reports that the average cost for on-demand labor is 34% lower than the all-in costs of a W2 technician. Caul views the economics of using the Field Nation platform as cost avoidance as opposed to cost savings. Basically, he'd incur the costs either way. By using Field Nation, he avoids the higher cost associated with maintaining a W2 workforce. Regardless, it has proven to be a smart business decision for both his company and his customers.

“The average cost for on-demand labor is **34% lower than the all-in costs of a W2 technician.**”

About Field Nation

Field Nation is the leading on-site talent platform connecting companies and service professionals to get work done.

Learn more at fieldnation.com