

MSP Guide to Profitability

A path to healthy profitability for
field services in 2021



After the highs and lows of 2020, many field service companies are focused on maintaining their business as we wait to see how the economy fares and how the field service sector will be impacted. But even in maintenance mode, opportunities abound to improve your operational efficiency and grow your profit margin.

Enhance your workforce with a blended model

Give yourself more flexibility and control by moving from a traditional workforce to a blended model of both W-2 employees and contractors.

Using a contingent labor platform like Field Nation can help you maximize profitability from many angles.

Increase efficiency

Strategically use your full-time employees.

When you have contract workers on hand who can fill in gaps and be assigned to jobs at any location, you can use your full-time employees more efficiently. They can focus on the work they do best without breaking away to handle one-off jobs or other needs that come up. Your supplemental workforce can handle these tasks, such as routine repair orders, while you focus on growth and give your more experienced staff interesting opportunities like new service rollouts. For an added layer of quality control, some businesses have their W-2s act as site leaders who give direction to a team of contingent workers.

Using your employees in this more targeted way benefits your business twice over. Not only do you take full advantage of your W-2 employees' greatest strengths and potential, but those employees stay engaged and motivated, leading to long-term worker satisfaction and loyalty.

By using a contingent workforce, you can **be confident in having coverage** when and where you need it **while also keeping travel costs in check.**

Waste less time, respond faster. With a field service platform like Field Nation, you no longer need existing employees in a location to perform work there. This means you can cut out travel and drive time and say yes to more jobs more often. Field Nation has contractors across the country, so you can quickly get boots on the ground wherever you need them.

Streamline your vendor pool. If contractors are already part of your workforce mix but you use [multiple staffing companies and service vendors](#), gain efficiencies by using one comprehensive vendor management platform. Navigating several systems and keeping track of contractors from different companies is confusing and time-consuming. Paring down to one or a few reliable vendors for resources and project fulfillment saves you time, money, hassle, and stress.

Reduce costs

Lower your travel expenses. Flying technicians to and from locations or paying them to sit behind a windshield is a huge expense that erodes profitability. But it's also expensive (if not impossible) to maintain on-call staff and infrastructure in every area you serve. By using a contingent workforce, you can be confident in having coverage when and where you need it while also keeping travel costs in check.

Control your fixed costs. Benefits, insurance, taxes, overhead. These costs come with every full-time employee on your roster — on top of their salary or wages. In fact, [benefits make up 30% — nearly a third — of total private sector compensation](#). You also have overhead costs for office space, technology, training and administration. With a supplemental workforce, you can scale and expand without taking on these extra cost burdens. This ability to flex from fixed to variable costs allows you to nimbly respond to market demands.



It's easy to chip away at your profit margin unintentionally when you don't have *accurate* information.

Cut out back office expenses. Dead time and drudge tasks eat away at your profit margin. Downtime between job assignment and completion is often wasted. Time and effort spent on administrative work like insurance, risk mitigation, payroll, dispute resolution, and background checks could be put toward more rewarding and profitable endeavors. A field service management platform takes care of all of this for you. Your administrative tasks are streamlined and dead time gets cut out of the work process.

Be more resilient and adaptable

Improve service-level agreement (SLA) compliance. A contingent labor platform can help you [comply with your SLAs](#). Quickly get the techs you need in place to fulfill all requirements — without a lot of travel or logistical hassle. This gives you peace of mind with your big enterprise contracts while freeing you to focus on new opportunities.

Protect your margins with insightful data.

It's easy to chip away at your profit margin unintentionally when you don't have accurate information. To win work, service providers often bid lower than they need to for the specific market, not knowing what a competitive rate is for that location.

Field Nation's industry-first data tool [MarketSmart™ Insights](#) sheds light on these local market nuances. It gives you on-demand access to real-time marketplace pricing and coverage data beyond what's within your four walls. You'll be armed with the intelligence you need to see current trends, pursue new growth strategies, and protect your margin.



Offer enhanced services. Instead of bidding on only parts of an RFP, with Field Nation's market intelligence you're equipped to bid on entire proposals. Use MarketSmart™ Insights to gather the data that enables you to make all pieces of a complex project profitable and worthwhile. You'll have visibility into local market rates and technician coverage so you can fulfill work efficiently while still rewarding your bottom line.

use to make decisions. Yes, it will take some time, effort and wrangling — but once you're strategically aligned you'll make up for those upfront investments many times over.

When all business functions are collaborating to deliver on the same value proposition, you'll drive profitability instead of unwittingly hinder it. You'll also have space for fresh ideas, innovation, and creativity. The resources that were once spent on being at cross purposes can now be directed toward achieving your aligned strategy.

Align with your customer's success metrics

Many field service companies rely on overall metrics like CES, CSAT and NPS. These are great for capturing customer sentiment, but they're stronger indicators of your own success than your customer's success. Be a better strategic partner by aligning your success metrics with your customer's definition of success.

This may vary from customer to customer. For some, it might be a certain rate of jobs completed on-site with high quality. For others, it might be a low cancellation and reschedule rate. Find out your customer's SLA and priorities for a successful outcome, then align your metrics with them and track those metrics hourly or daily.

When your service quality metrics align with your customer's, you offer more value as a partner, strengthen the customer relationship, create future opportunities, and ultimately protect and enhance your profit margin.

Improve alignment internally and externally

Align strategy across functions

Too many companies lose traction and momentum by not being aligned around one cohesive strategy. When sales, operations, executives, and other key functions have different strategic objectives or use different data to make decisions, you end up spinning your wheels over what to pursue instead of working together to pursue it. This costs valuable time, money, and opportunity.

Get everyone on the same page about your business' value proposition and what data you'll



Summary

In 2021 and beyond, you have opportunities to maximize profitability no matter what the economy does and how it impacts the field service market. Introduce a flexible workforce and use a contingent labor platform like Field Nation to create efficiencies in time, tools,

travel and talent. And seek strategic alignment both within your organization and with your customers to inspire fresh ideas and innovation, put yourself on a growth path, and be a more valuable — and valued — business partner.

In 2021 and beyond, **you have opportunities to maximize profitability no matter what the economy does** and how it impacts the field service market.

About Field Nation

Field Nation is the world's most active contingent labor platform and software solution that connects companies and service professionals to get work done.

Learn more at fieldnation.com

