

# New field service opportunities drive business to rethink their workforce



## INDUSTRY INSIGHTS

We are living through a unique period of opportunity for leaders in field service.

Shifting consumer expectations are spurring [investments in technology across industries](#). Companies are digitally transforming, which means they will need skilled technicians to complete install, move, add, and change (IMAC) projects at thousands of retail locations across the country.

For service leaders, this exciting opportunity for growth also pits cost against quality. Reducing costs by relying on subcontractors often comes at the expense of visibility and control over who's representing your company. On the other hand, protecting the quality of your services can lead to ballooning labor and travel costs from full-time employees.

The challenge always comes down to coverage: having the right tech at the right place and the right time for the right cost. Meeting these criteria can feel impossible. But it isn't.

The key to managing these [cost, quality, and coverage issues](#) is finding the ideal labor mix between your primary sources of labor: full-time employees, subcontractors, and on-demand technicians.

By leveraging the advantages of each labor type, service leaders can streamline their labor channels through a blended workforce model.





To help you find the right labor mix for your unique needs, we'll explore:

- Types of workers (1099 contractors, temps, subcontractors, and full-time employees)
- The key differences between on-demand workers, subcontracted workers, and traditional full-time employees
- The advantages of full-time employees vs. the advantages of other labor sources
- The advantages of on-demand labor when it comes to finding top talent
- How to determine which options may be the best fit

## Worker classifications

### Full-time employees

Full-time workers are traditional full- or part-time employees. They may get benefits, workers' compensation, and unemployment protection. They also work according to your business's needs and schedule.

### Subcontractors

Subcontractors are service companies that recruit, dispatch, and manage technicians on your behalf. The technicians who perform the work are the subcontractor's responsibility, and the subcontractors often own the work outcome.

### 1099 contractors

1099 contractors include freelancers, self-employed consultants, and contract technicians. They are considered separate businesses, not employees. You are responsible for vetting technicians and dispatching the work.





## The pros and cons of different labor types

In the world of field service, variable and unpredictable demand can make sourcing the technicians complicated. Not only do you need techs who are available and able to reach the project site, you need to make sure these techs have the right skills and a history of delivering results. On top of all that, you need to make sure that labor costs aren't putting a dent in your margins.

In short, service organizations have three main criteria for assessing their labor sources:

- Cost-effectiveness
- Coverage
- Control

Each type of labor comes with pros and cons. But by returning to the above criteria, service leaders can determine what type of labor is right for a certain type of work.

### Full-time employees

The primary benefit of full-time employees is a heightened degree of control over the work being done. Unlike with 1099 contractors, employers have direct say in the training, scheduling, and day-to-day management of full-time employees. What's more, full-time employees have lower churn rates, higher levels of engagement, and increased familiarity with your company's processes and customers. Taken together, this translates into greater stability and visibility, which allows service leaders to feel confident in the quality of their company's most high-value work.





However, the fixed costs associated with full-time labor often makes it a cost-inefficient choice for lower value work, or work that falls outside of the company's standard service domain. Similarly, travel costs and knowledge gaps can lead to coverage issues. Relying entirely on full-time labor can hinder your company's ability to take on work in new geographical or technical areas – which is to say, it can hinder your company's growth trajectory.

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## Subcontractors

Subcontractors are a flexible, cost-effective alternative to full-time labor. By working with subcontractors, service organizations can fill gaps in coverage and expand service offerings without getting locked into a fixed wage or long-term commitment. This offers the flexibility to scale up or down based on sudden shifts in demand or increased need for specialized services.

But what you gain in coverage and cost-effectiveness, you lose in control. In the case of subcontracted work, you are removed from the process of selecting and managing technicians. This distance from the vetting process can lead to transparency issues. For this reason, subcontracted work is usually best suited for lower value work within your company's standard service domain.

## On-demand

On-demand offers a similar boost in coverage and cost-effectiveness. Because expert talent is available around the world, you can perform work in an expanded service area without the costs of extra office space or travel. Labor costs can be adjusted up or down based on market



demand, reducing your fixed costs, and making it easier to adapt to sudden economic shifts. This makes on-demand labor a good fit for project work or work in newer coverage areas.

Additionally, talent platforms can help streamline the process of finding and vetting on-demand talent. Candidates can be filtered by quality score, experience, location, skill set, ratings, certifications, and even recent background checks and drug tests.

This level of intelligence gathering gives service organizations a more comprehensive perspective on overall market trends. Talent platforms like Field Nation harness the data flowing through their platform and package it in such a way that users can make strategic, up-to-date decisions when it comes to planning coverage, setting pay rates, and bidding on projects.

Additionally, this wealth of data makes it possible for service organizations to vet and manage



talent at scale. Instead of spending hours or days making sure that a technician has the right skillset and background for a job, service organizations can streamline this process without sacrificing visibility into the people they're working with.

This high degree of automation also extends to managing workflow. Talent platforms





equipped with workflow automation make it possible to expedite the review and approval process by integrating with other core tools like FMS and ticketing systems.

Talent platforms also make the task of risk mitigation much simpler. Drug tests and background checks are verified using third-party systems, which allows service organizations to screen technicians with confidence. Bundled insurance and mediation services are also available.

Of course, while they may be more efficient than Craigslist or job boards, marketplaces are still self-service tools. Unlike a staffing or temp agency, the work isn't done for you behind the scenes. Marketplaces give you more control over the process and empower you with automation tools, but you'll still have to set aside time to engage with the platform and cater it to your needs. In Field Nation's case, service partners are available to provide project management or dispatch capabilities for additional capacity in these administrative components of service delivery.

## Building a blended workforce

No one type of labor can fulfill all these criteria for every job. But by examining the advantages of full-time labor and the advantages of its alternatives, service leaders can develop the ideal labor mix for their company and its unique needs.

Many companies are accomplishing this by moving from a fixed-cost, full-time workforce to a blended mix of full-time, subcontracted, and



on-demand talent. The blended workforce model is supported by a significant amount of available labor: about [36% of U.S. workers are currently engaged in some form of gig work](#), and studies estimate that, if current trends continue, [this number will rise to 50% by 2027](#).

These numbers will continue to grow as more companies shift to a remote, flexible labor model. What's more, current and impending labor shortages will exacerbate the value of alternatives to full-time labor. As companies and employees adapt to new ways of working, on-demand labor will help them flex to unpredictable customer demand.

## The types of businesses that may benefit most from on-demand labor include:

- Field services companies, Original Equipment Manufacturers (OEMs), Value Added Resellers (VARs), and Managed Service Providers (MSPs).
- Businesses that experience wide swings in seasonal demand (e.g., tax preparation services).
- Companies expanding markets, service offerings, and locations.

In the past, relying solely on full-time employees may have worked well for companies with high job and project stability. This included those in recession-resistant industries like healthcare, government, and education. Traditional employment may also have been a good fit for well-funded, growing companies looking to build a long-term team around key roles.

But as recent events have shown, even these types of organizations are vulnerable to unforeseen challenges. In the new normal, flexibility will be essential across the board.



## What's the ideal blend for your business?

To figure out what this flexibility will look like, service organizations should return to the three criteria we covered earlier: control, cost-effectiveness, and coverage. By considering how different jobs stack up against these criteria, service leaders can allow the type of work to determine the type of worker – not the other way around.

One great way to do this is by measuring value against the distance one of your full-time technicians would have to travel from your service hub in order to reach a project site.

If the project site is within 30 miles and represents a high-value job (i.e. a job from a client that does a lot of business with you, or a job that requires a specialized skill set) then it may be best







to send one of your full-time employees. The level of visibility you get from your full-time employees is crucial for jobs like these. A lower value job within a comparable distance may be better off in the hands of a subcontractor, who can offer cost savings and more flexible coverage in exchange for less on-the-ground visibility.

On the other hand, when it comes to projects that would involve extensive travel from your full-time employees, it probably makes sense to leverage on-demand labor. This way, you can reduce or eliminate travel expenses by contracting a technician closer to the project site.

What's more, the level of vetting you can do with on-demand platforms gives you more control over exactly who is representing your service company to the end-client. This translates into a higher degree of visibility into the various moving parts of the job, which translates into peace of mind.

Ultimately, your mix of full-time, subcontracted, and on-demand talent should be based on your unique needs. While traditional employees may remain the foundation of your business model, incorporating a solid on-demand labor strategy will help you control costs, boost coverage, and maximize revenue.

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Which leads us to the Field Nation ROI model for optimizing profitability:

### **Reduce travel time**

Give jobs with high travel times to an on-demand source that is closer to the job. This minimizes travel expenses and maximizes the revenue that your full-time technicians can generate by increasing the number of high-value jobs they can complete in a day.

### **Outsource your low-value work**

Outsource low-value jobs to non-fixed expense talent (subcontractors or on-demand) and let your full-time employees focus on more predictable, higher value, higher revenue work that matches both their skillset and the cost of their technical expertise.

### **Enhance value for end clients**

Instead of viewing jobs as mere transactions, frame them as opportunities to be capitalized on. Can your field engineer identify any preventative maintenance needs? Is there additional equipment to be serviced? Can the engineer help to address any gaps in training?

## Conclusion

As we all get better at flexing to these constantly changing conditions, the world of work will continue to evolve at a fast pace. In our global economy, events like the 2008 recession and COVID-19 crisis can no longer be treated as anomalies. As we've recently learned, they can happen at any time and without warning.



**Is your company ready? As you explore your options, ask yourself:**

- Is our business and labor model agile enough to quickly adapt to the next challenge?
- Do we have a comprehensive set of labor mix options from which to make the best choice in any situation?
- Do we have procedures in place to help minimize physical contact at every touchpoint?
- Are we positioned to take advantage of the talent economy?
- Do we have systems and processes in place for attracting on-demand workers?
- How can we build a corporate culture that pulls full-time employees and independent professionals together into a strong team?
- How can we leverage the on-demand workforce to scale our operations?
- What's the right balance between traditional full-time workers, subcontractors, and on-demand talent?
- Which key differences (the pros and cons) between on-demand workers and traditional full-time employees may have the greatest impact on our business?
- What if we didn't change a thing? How would that affect our ability to compete five years from now?

Field Nation is here to help ensure that your business continues to thrive in any economy. For more information about tools to help you flex to changing demand, [reach out to our team](#).

## 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](https://fieldnation.com)

### Disclaimer

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