

3 ways to manage rising field service costs

It's no secret that rising costs continue to have a dramatic impact on the field services industry. The price of everything from gas to essential materials has risen, and higher costs can eat into profit margins.

While you can't control the macro factors driving inflation, you can lessen the pain by understanding the current economic landscape and taking specific actions to combat rising costs. Here are three primary cost drivers and three strategies for mitigating their impact.

1. Tame travel costs

Problem



Solution

Travel costs are up across the board

Hotel prices + 7%

Airfares + 16%

Rental car costs + 48%

According to recent Consumer Price Index data

Gas prices + 81 cents per gallon

Windshield time adds to the problem

Use labor closer to the job site

Reduce or eliminate travel expenses with on-demand labor:
average technician distance to site is
18 minutes

Tap into a network of contract technicians across the country

"Consider tapping an alternate labor resource that is closer to the job. Not only does this reduce (or possibly eliminate) travel expenses, but it also maximizes the revenue your full-time technicians can generate by increasing the number of high-value jobs they can complete in a day."

- Steve Salmon, Field Nation

2. Lower labor costs

Problem



Solution

Labor costs continue to rise

Average wages for U.S. workers +5.2%

Average wages for technical resources who changed jobs +12.2%

According to the Bureau of Labor Statistics

Average field service labor costs +8%

According to Field Nation platform data

On-demand labor reduces cost impact

24% savings

On-demand field service workers cost 24% less than full-time employees

According to Field Nation network data

Improved utilization

Only pay for the time your resources are actually working

"I would suggest to service leaders that, number one, you have to keep an open mind about where the market is going and where the workforce is going. You have to take an honest look at your accounting. Don't live in a 'that's the way we've always done it' mindset. The variable work market is the wave of the future."

- Jeff Novotny, Field Nation

3. Mitigate materials & equipment costs

Problem



Solution

Escalating costs of goods

Equipment costs +18%

Impacting all types of work, including cabling, printer, CCTV/alarms, pro/AV, digital signage and more

"There are a lot of companies that will only look at the costs associated with a single project versus looking at the total costs for the entire company. This approach prevents them from considering all the costs that are supporting the tech that completes the work order."

- Jeff Novotny, Field Nation

Planned procurement

Work through a distributor rather than having technicians source parts and materials themselves

Benefit from lower pricing due to economies of scale

Eliminate the cost of storing parts in a warehouse or managing parts inventory

Contact our team for more tips on how to mitigate rising costs in your business.

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