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BEST PRACTICES

AWARDS

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2020 BEST
PRACTICES
AWARD

SERVICE**MAX**

2020 NORTH AMERICAN
MOBILE FIELD SERVICE MANAGEMENT
MARKET LEADERSHIP AWARD

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Background and Company Performance

Industry Challenges

Field service management (FSM) is an industry that enables and supports service personnel as they travel to, and work onsite at, remote locations. FSM solutions are utilized across a broad swath of industries. Examples of field services include installation/maintenance/repair of equipment, utilities monitoring, at-home health care, construction services, insurance appraisals, etc. During the last decade, mobility has become an increasingly important component of FSM. With mobile access, field service organizations can use GPS and other technologies on their mobile handhelds (smartphones, tablets, rugged devices) to locate, manage, automate, and optimize their workers, tasks, and results anytime and anywhere.

Mobilized capabilities can include:

- Employee location and geo-fencing
- Time, labor and material tracking
- Data capture, including wireless forms
- Work order and activity management
- Invoicing and mobile payments
- Contract and service level agreement (SLA) management
- Schematics and other relevant information/knowledge
- Reporting, dashboards, and analytics
- Communication and collaboration tools

The field service management market continues to demonstrate impressive growth, with annual revenues totaling in the billions of dollars. New players and investment have enabled vendors to improve the user experience, add new capabilities, expand into new markets, and begin to advance in innovative areas such as artificial intelligence, wearables, augmented reality, etc.

Mobilized field service management solutions have become mission-critical for field service organizations. The 2019 Frost & Sullivan Global Digital Solutions Survey reveals that 86% of North American and European field services businesses have implemented mobile access to at least some degree. And the vast majority of those current users plan to expand their implementations within the next 12 months. Satisfaction levels among current users are very high and are based on hard-dollar business impacts. Top benefits, as reported by users, are ranked as follows

- Increased end-customer satisfaction
- Enhanced customer engagement
- Improved field service response times
- Improved competitive advantage

- More accurate billing
- Reduced paperwork

End-customer expectations around value remain heightened and continue to function as both a transformational trend and an industry challenge. Today's customers—especially larger companies with more complex equipment—are more demanding when it comes to the quality, timeliness, and responsiveness of field service work. Their time is valuable, their days are filled, and up-to-date information such as a field technician's expected time of arrival (not some 3-hour window) is expected. In response, leading FSM vendors are providing field service organizations with end-customer portal offerings that share information, track technician location, provide ETAs, etc. The results include quicker trouble resolution, happier customers, and even increased sales.

Other growth areas and opportunities for mobile FSM include more vertical-specific solutions, sharpening predictive service capabilities, and tighter solution integrations.

While the field service management market continues to present a dynamic and growing opportunity, challenges do exist for its vendors and channels. These include:

- *Determining when and how to incorporate new technologies into product and portfolio* – This is an industry that will not stand still, so participants are constantly challenged to stay tuned into customer feedback and stay knowledgeable regarding emerging technology trends and capabilities. Today's business customers – large and small – provide sophisticated, market-savvy responses when asked about their mobility needs and preferences. FSM leaders determine on a timely basis if and how to address these interests and when to integrate them into their product road maps.
- *Selecting the optimal partners in order to improve capabilities and/or open up new markets* – Leading FSM providers do not operate in a vacuum. In order to offer the highest-quality solutions, they leverage acquisitions and alliances to build an effective partner ecosystem. They are challenged to seek out technology partners that can help expedite time-to-market for new capabilities. And they must define the optimal mix of channel partners to augment their coverage in different geographies and target markets.
- *Anticipating and addressing the evolving role and status of field service workers* – A decade ago, most field service workers were invisible to their companies, their supervisors, and their customers. There was no mobile access, so the worker was isolated and disconnected when outside the four walls of his or her company. Then inexpensive mobile smartphones and tablets came onto the market and FSM apps were created to allow field personnel real-time access to and exchange of information, collaboration and guidance via their personal or corporate-owned mobile devices. Now, leading FSM providers are anticipating a new type of field service employee, and these providers are thinking through how best to support the more autonomous and tech-savvy worker. Mobility is a key component in

enriching the field technician experience. And market leaders are being challenged to visualize and plan for this new, more independent worker reality.

- *Maintaining a strong emphasis on ease of use* – As many field service management providers learned the hard way, creating mobile solutions requires a different skill set than that used to develop desktop applications. Unwieldy, difficult to use, hard-to-understand mobile apps are rejected by field workers, and many vendors still struggle today to provide an optimal user experience. Respondents to the 2019 Frost & Sullivan Global Digital Solutions Survey rank “ease of use” as a Top Two mobile app selection criterion, reinforcing the need for providers to continue to place a high priority on this key user requirement.
- *Effectively neutralizing any COVID-19 dampening impact on sales* – Positioned properly, mobilized field service management solutions can be viewed as a way to protect the safety and health of both customer and technician.

In summary, the North American market for field service management solutions is growing in terms of both usage and needs. Today’s end-customer is demanding a higher level of service, and field service organizations are expanding and mobilizing their offerings to help satisfy that demand. FSM providers must be nimble and forward-looking, anticipating customer and worker requirements, forging top-tier partnerships, and investing wisely.

Market Leadership of ServiceMax

When identifying providers that are demonstrating true leadership in the mobilized field service management industry, ServiceMax stands out with its unique expertise regarding the growing asset-centric management sector. ServiceMax’s recent decisions around partnerships, product, and new markets reinforce and promise to further enhance the company’s already-strong position as an FSM market leader.

Major success factors behind this market leadership award designation include the following:

Strong, Expert Product Differentiation

ServiceMax differs from the majority of its peers by targeting equipment-centric industries that present skilled field service teams with more complex and challenging jobs, lengthy work assignments, and high-value service contracts. Types of technician work include break/fix, maintenance, depot, calibration, testing, inspections, and certification.

Unlike other field service management offerings that provide no or very basic asset management support, the ServiceMax Core solution suite offers an impressive and very comprehensive mix of both asset-centric and resource-centric modules, including:

- Mobile Technician Application (ServiceMax Go)
- Scheduling and Dispatch (Service Board)
- Schedule Optimization
- Parts, Returns and Depot Repair
- Contractor Management

- Installed Base Management (stores as-maintained asset data)
- Field Service Analytics
- Zinc Real-Time Communications App
- Work Order Management
- Proactive Maintenance and IoT
- Remote Triage (using machine learning for remote diagnostic/fix)
- Entitlements (managing service contracts, warranties, maintenance plans)
- Customer Self Service

This capability list is just the current ServiceMax view. Today's field service organizations, as well as their end-customers, are becoming increasingly sophisticated with their service demands, and FSM leaders respond by maintaining a dynamic product portfolio. A number of additional ServiceMax Core modules are on the company's development roadmap, including the Engage end-customer portal and a Service Manager application.

Just recently (September 2020), ServiceMax announced a new addition to its product line, separate from the foundational Core suite. The company is launching ServiceMax Asset 360 for Salesforce Field Service—a solution that is natively built on the Salesforce Field Service platform. Leveraging ServiceMax asset-centric capabilities, this new offering will augment the more resource-centric Salesforce FSM offering by delivering a real-time view of current service contracts, the installed asset base, and asset performance. Scheduled for general availability in November 2020, this solution will be actively promoted to new ServiceMax prospects and to current and prospective Salesforce Field Service customers. At the same time, ServiceMax has stated it will continue to offer, invest in, and support its foundational Core suite.

Clear Price/Performance Value

ServiceMax solutions are offered in a cloud-based as-a-service format, with predictable monthly per-user pricing that is typically invoiced on an annual basis.

Customers value affordability and an ability to scale. ServiceMax Core customers can choose from an array of modules, while Asset 360 will be available in two tiers—Standard and Premier—that differentiate primarily on number of support hours. Price points for both offerings are very competitive.

The ServiceMax team reinforces the hard-dollar value-add of these solutions, pointing to a number of impressive metrics, including the following for Core:

- 14% decrease in service costs
- 12% increase in equipment time
- 23% increase in technician productivity
- 25% increase in service revenue
- 24% reduction in compliance incidents
- 20% increase in Net Promoter Score

Optimized Customer Purchase and Ownership Experience

The FSM customer's purchase and ownership experience should provide convenience, choice, support, and quality. ServiceMax optimizes the purchase and ownership experiences for its customers in multiple ways. Three efforts that make the company a leader in this regard are:

1) Focus on Vertical-specific Packages: The majority of current prepackaged field service management solutions remain largely horizontal in nature. For the most part, as the FSM market developed over the past decade, this has reflected the needs of North American businesses. Two trends are now creating demand for more industry-specific FSM offerings:

- Businesses that provide service to their customers in the field are becoming more knowledgeable about the FSM capabilities available to them. They are seeking solutions that better reflect their particular industry's work flows, information needs, compliance requirements, terminology, etc.
- Government mandates continue to be refined and often end up requiring that more vertical-specific solutions be developed in order to more directly address the new regulatory requirements.

Customers expect providers to recognize their industry-specific wants and needs. 80% of respondents to the Frost & Sullivan 2019 Global Digital Solutions Survey view "expertise with our specific industry and its needs" as an Important or Very Important factor when choosing a mobile solution partner.

ServiceMax recognizes that industry-specific FSM solutions can offer significantly more value to certain customers than more generic horizontal products. Medical Devices, Oil & Gas, and OEM Manufacturing & Dealers are three vertical areas of high interest to ServiceMax. When creating a vertical FSM package, ServiceMax's goal is to enable a higher-quality service experience by providing its customer with industry-specific forms, best practice work flows and templates, prepackaged analytic dashboards, and prebuilt connectors with common third-party systems and services.

2) Global Customer Transformation Team: Lack of internal expertise and resources are often declared key barriers to FSM solution adoption. The ServiceMax Global Customer Transformation team is a group of field service experts who work one-on-one with sales prospects to identify where they are in their digital transformation journey and to map through a recommended solution implementation process, set milestones, define ROI targets, and generally guide and educate regarding new capabilities and technologies. These services are typically free for new sales prospects and for customers approaching a renewal horizon. The GCT team reports to the ServiceMax Chief Marketing Officer.

3) Global Partner Ecosystem: ServiceMax has forged an extensive set of partner relationships, which provides customers a top-tier set of systems integrators and software developers with which to interface.

Current SI partners include global companies (such as Accenture, CapGemini and Tata Consultancy Services), regional integrators (including Bolt Data, NEC, Techedge, and more), and strategic partners (BearingPoint, GE Digital, Salesforce and more).

A long list of technology ISV partnerships also helps ensure that ServiceMax customers obtain the capabilities and features they require. Current ISV partners include companies like Aquant, Nintex, ProntoForms, etc.

In summary, ServiceMax's establishment of a strong solution-selling relationship early in the sales cycle, a broad set of top-tier partners, and a growing emphasis on providing vertical-specific expertise and capabilities create an optimal purchase and ownership experience for today's demanding business customer.

Growth Strategy Excellence

ServiceMax continues on a strong growth trajectory, reporting significant year-over-year increases in users (15% increase), work orders (44% increase), asset locations (23% increase), and serviced assets (32% increase). This outstanding performance is fueled by a confluence of factors, the majority of which are ongoing:

- High customer renewal rates: ServiceMax is laser-focused on meeting customer needs and keeping satisfaction high. The result is a customer retention rate during the most recent six-month period totaling a remarkable 95%. The company expects this renewal trend to continue, in part fueled by the current pandemic experience and its impact on IT teams who are realizing they have to be more prepared technologically to deal with unforeseen disasters.
- Impressive roster of new customers: Efforts such as the Global Customer Transformation team establish a solution-selling relationship with sales prospects, resulting in a steady flow of new clients.
- Expanding downmarket: In addition to targeting large enterprises, ServiceMax is building a presence in the mid-market (businesses with a minimum of 100 technicians).
- A major funding infusion: Earlier this year, ServiceMax raised \$80 million in growth funding from Salesforce Ventures and Silver Lake.
- Strategic acquisitions: Purchasing Zinc in 2019 added a secure, real-time mobile communications capability for technicians and their teams. This type of focused, strategic acquisition added immediate value to the ServiceMax offering.
- The Salesforce partnership: Partnering to create the new ServiceMax Asset 360 for Salesforce solution deepens the relationship with Salesforce, expands ServiceMax sales reach into new verticals, creates a major new revenue stream, and sets the stage for further cooperation and products.
- A clear, customer-focused set of priorities and growth initiatives: The ServiceMax technology roadmap for 2021 defines five areas of product development focus. These are parts planning, asset-centric scheduling, field knowledge management, the customer experience, and AR-powered remote support. On the sales and marketing fronts, ServiceMax priorities include expanding its indirect channel and investing in emerging regions.

Powerful and Growing Brand Awareness

The ServiceMax brand leads in the asset-centric FSM sector; its growing strength reinforced by Salesforce choosing ServiceMax as its development partner and source of expertise and best practices in this product area.

ServiceMax has over 400,000 users in over 450 countries and currently manages over 200 million assets, strengthening awareness of its brand and building an impressive set of reference customers.

Conclusion

The field service management industry is on a strong growth trajectory in North America, and one of the major segments fueling this growth is the asset-centric management sector. ServiceMax's leadership position in this lucrative market is the result of its differentiated product, a purchase and ownership experience that is optimized for the customer, and a strategy for growth based on deep partnerships and continuous product development and enrichment.

For its strong overall performance, ServiceMax has earned Frost & Sullivan's 2020 Market Leadership Award.

Significance of Market Leadership

Ultimately, growth in any organization depends on customers purchasing from a company, and then making the decision to return time and again. Loyal customers become brand advocates, brand advocates recruit new customers, and the company grows, and then attains market leadership. To achieve and maintain market leadership, an organization must strive to be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Market Leadership

Driving demand, strengthening the brand, and differentiating from the competition all play critical roles in a company's path to market leadership. This three-fold focus, however, is only the beginning of the journey and must be complemented by an equally rigorous focus on the customer experience. Organizations that demonstrate best practices, therefore, commit to the customer at each stage of the buying cycle and continue to nurture the relationship once the customer has made a purchase. In this way, they build a loyal, ever-growing customer base and methodically add to their market share.

Key Performance Criteria

For the Market Leadership Award, Frost & Sullivan Analysts focused on specific criteria to determine the areas of performance excellence that led to the company's leadership position. The criteria include (although are not limited to) the following:

Criterion	Requirement
Growth Strategy Excellence	There is a demonstrated ability to consistently identify, prioritize, and pursue emerging growth opportunities.
Implementation Excellence	Processes support the efficient and consistent implementation of tactics designed to support the strategy.
Brand Strength	The brand is respected, recognized, and remembered.
Product Quality	The product or service receives high marks for performance, functionality, and reliability at every stage of the life cycle.
Product Differentiation	The product or service has carved out a market niche, whether based on price, quality, or uniqueness of offering (or some combination of the three) that another company cannot easily duplicate.
Technology Leverage	There is a commitment to incorporating leading-edge technologies into product offerings for greater product performance and value.
Price/Performance Value	Products or services offer the best value for the price, compared to similar offerings in the market.
Customer Purchase Experience	Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.
Customer Ownership Experience	Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service.
Customer Service Experience	Customer service is accessible, fast, stress-free, and of high quality.

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with best practices criteria. The reputation and integrity of the awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify award recipient candidates from around the world	<ul style="list-style-type: none"> Conduct in-depth industry research Identify emerging industries Scan multiple regions 	Pipeline of candidates that potentially meet all best practices criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> Interview thought leaders and industry practitioners Assess candidates' fit with best practices criteria Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> Confirm best practices criteria Examine eligibility of all candidates Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> Brainstorm ranking options Invite multiple perspectives on candidates' performance Update candidate profiles 	Final prioritization of all eligible candidates and companion best practices positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> Share findings Strengthen cases for candidate eligibility Prioritize candidates 	Refined list of prioritized award candidates
6 Conduct global industry review	Build consensus on award candidates' eligibility	<ul style="list-style-type: none"> Hold global team meeting to review all candidates Pressure-test fit with criteria Confirm inclusion of all eligible candidates 	Final list of eligible award candidates, representing success stories worldwide
7 Perform quality check	Develop official award consideration materials	<ul style="list-style-type: none"> Perform final performance benchmarking activities Write nominations Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best practices award recipient	<ul style="list-style-type: none"> Review analysis with panel Build consensus Select recipient 	Decision on which company performs best against all best practices criteria
9 Communicate recognition	Inform award recipient of award recognition	<ul style="list-style-type: none"> Announce award to the CEO Inspire the organization for continued success Celebrate the recipient's performance 	Announcement of award and plan for how recipient can use the award to enhance the brand
10 Take strategic action	Upon licensing, company is able to share award news with stakeholders and customers	<ul style="list-style-type: none"> Coordinate media outreach Design a marketing plan Assess award's role in strategic planning 	Widespread awareness of recipient's award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.