

A Third of Product Companies Will Be Services Businesses Within Five Years, With Mixed Labour Models Playing Increasingly Important Role

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Global study outlines critical drivers shaping the way services business operate

12 September 2019 – London, UK – New service delivery models, the emergence of flexible services marketplaces and demand for new equipment skills are reshaping the way service businesses operate, according to a new global Forrester Consulting study, commissioned by ServiceMax, the leading provider of cloud-based software for service execution management. Thirty three percent of firms that are a product company today say they will be a services company within five years.

The Forrester Consulting study, *From Grease To Code: What Drives Digital Service Transformation*, surveyed 675 digital transformation decision makers across North America, Europe, the Middle East and Asia Pacific that are currently undergoing or have already completed significant portions of their digital transformation. Respondents are in infrastructure roles at global industrial enterprises, including manufacturing, healthcare, utilities and telecommunications industries.

“The focus on digital transformation has placed companies’ attention on harnessing equipment data for insights, exploring new business models, and implementing digital technologies,” according to the study.

The shift from grease to code is well underway, as firms unlock valuable data about their assets. Eighty nine percent of companies are collecting equipment and service data to drive business decisions, but the digitalization of industrial services requires new skills to operate machinery.

The struggle to find service technicians with the required knowledge and expertise remains an issue. Seventy seven percent of firms say external contractors are becoming more important, and eighty percent are interested in using a service marketplace to access suitable freelance talent when needed and source the necessary skills.

The study found that from a financial gains perspective, as-a-service businesses and predictive maintenance models will contribute most of the revenue within five years. Offering assets on subscription, enabling preventative maintenance and shifting to as-a-service delivery models is seen as critical for improving customer experience. Thirty nine percent of companies have already invested in predictive maintenance today, and a further forty nine percent will do so within three years.

“Digital transformation is driving the pace and adoption of new service models globally, reshaping the way services businesses operate,” said Stacey Epstein, Chief Customer Experience Officer of ServiceMax. “Eighty five percent of firms say servitization is now a high or critical priority, as are outcome-based business models. This shift puts a different lens on the role of service maintenance, support, unplanned downtime, customer experience and revenue generation as companies see smarter use of equipment data, and the adoption of mixed labor models playing an increasingly important role in business performance.”

About ServiceMax

ServiceMax is the global leader in Service Execution Management, offering cloud-based software that improves the productivity of complex, equipment-centric service execution. Enterprise companies across the globe have turned to ServiceMax to help them keep the world running. For more information, visit <https://www.servicemax.com/uk>

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*From Grease To Code: What Drives Digital Service Transformation, a September 2019 commissioned study conducted by Forrester Consulting on behalf of ServiceMax