

An enormous change is about to hit this \$15 billion industry

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BY GENE MARKS

Leaky pipe? Toilet running? It's time to call the plumber. But wait -- before you do, you better pull out the Rubik's Cube. Dust off that Donna Summer LP. Put on some clogs. You need to be ready. You're about to take a trip back to the 1970s. Here we go

You call the plumbing firm and a middle-aged lady named Miriam answers the phone. You ask to schedule an appointment. She checks the calendar. She tells you that a plumber can come out on Tuesday anytime between 1 p.m. and 6 p.m. You agree. The plumber arrives that Tuesday afternoon at 3:37. He performs the work. You are pleased. He fills out a work-order. You sign the work-order. He leaves the work-order with you. Two weeks later, you send a check with the work-order. Job over. You never hear from him again. Until the next problem.

This is what it's like for most of us to use a plumber in 2014. It's also what it was like to use a plumber in 1974. Nothing's really changed. It's not just the plumber. It's the landscaper, too. The painter. The company that installs the new water heater and fixes your air conditioning system. The service firm that replaces your garbage disposal, cleans your gutters, washes your windows or sweeps your chimney. It's a \$15 billion industry made up of millions of service providers around the world and you know what? Most of them are still operating like they did 40 years ago.

There's no online scheduling or availability. There's no e-mail or text confirmation. Your plumber does not have an iPad to check his schedule, order parts or complete a work-order. You do not sign off electronically. There is no financial transaction until the job is manually entered back in his office. There is no cash exchanged until the check is received and the money clears the bank. More important, you hear nothing from your plumber ever again. No check-ins, no e-mails, no updates, no plumbing advice or information about potential services that could be of interest to you. Your next communication with your plumber is when you call Miriam because there's another problem.

"The field service industry was once a leader, but now it's a laggard in mobility," explained David Mount, of Kleiner Perkins Caufield & Byers, one of the venture capital firms that just a month or so ago plowed \$71 million into a cloud-based service application called ServiceMax. "But that's about to significantly change."

The process and paperwork will go online. Some of the leading cloud-based accounting applications, like QuickBooks, Xero, Intacct and Sage 50, will enable their customers to do billing and work-orders from the field. But a new breed of cloud-based service management applications like ServiceMax will also have a significant impact on the industry.

What sets these products apart is that they are not a bolt-on to an existing accounting application like the ones above. Instead, products like ServiceMax enable techs in the field to do work-orders, request parts, schedule and be scheduled, look up manuals, and take payments. All of this is done on a tablet. All the data is real-time. And customer

relationship management systems pick up the information and ensure that the customer receives future communications, advice, updates and education.

Only a handful of small service providers are doing this now (think about your plumber). They're the trailblazers. But that will not be the case within the next few years.

What will be the main drivers of this giant disruption?

It has already started with enterprises. These are large companies with hundreds of thousands of technicians providing services to customers around the world. They are utility providers, print management businesses, telecom firms and cable companies. ServiceMax has seen significant growth in this area, according to Mount. That's because these companies have the resources to invest in these technologies, roll out the hardware and train their workforce. This will soon trickle down. Smaller firms will need their own version of these cloud and mobile applications in order to keep up and provide a competitive level of service.

Next is the increasing acceptance of mobile devices. "Many of today's technicians already have a smartphone or are using an iPad. They would love for their firm to adopt more applications that can better make use of these devices," Mount said. "And as the prices of these applications come down, many of these firms will migrate toward cloud-based systems."

But what's the most important driver of this change? It's not actually what. It's who. It is the next generation. They are now in their 20s and they've grown up on Facebook and online services and they will, within the next 10 years, realize that a better, more balanced life can be realized by running their parent's service firm, which beats dealing with that jerk boss in the big company that they're currently at.

When they pick up the reins from their exhausted moms and dads, they will scratch their heads and wonder how their parents managed to make a living off of such old technology. They will replace it.

"Field service management software is an estimated \$15 billion industry," Mount said. "It affects anything that needs to be repaired. Cloud-based applications are just starting to make an inroad in the industry."

Is your client a plumber? A painter? A landscaper? A repairman? Wake up, guys. It's no longer 1974. Their world will be changing soon. Enormously.

Besides Accounting Today, Gene Marks writes for The New York Times and Inc.com.