



The Power of Performance Data in Facilities Management

Driving Business Success With Strategic Asset, Location, and Provider Insights

 ServiceChannel

The Power of Performance Data in Facilities Management

Today, nearly any business is capable of becoming more data-driven. But a fragmented reporting culture across locations makes it difficult for businesses to cut waste, lower their total cost of ownership, and maximize budgets.

With a single source of truth for performance data on assets, locations, and providers, the ServiceChannel platform lets you see what's really happening at the store level today. As you gain data visibility over time, that supports stronger predictive analytics, helping you make better decisions for the future.

In this guide, we delve into the significance of data collection and analysis for today's businesses. A comprehensive set of performance data is more than just numbers — it's a roadmap. By understanding and leveraging this data, businesses can refine their operations, make informed capital planning decisions, and consistently meet customer expectations. Join us on this journey into the transformative potential of data.

Types of Performance Data

Performance data is information that indicates how an operation, program, or other element of your business is performing.

- Asset Performance
- Provider Performance
- Location Performance

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Key

Takeaways

- Performance data empowers CFOs to make more informed, future-focused decisions.
- Tracking service spend and supplier performance helps teams identify and reduce waste.
- Capital planning is bolstered by full visibility into the asset lifecycle, including service costs.

Knowledge is power, especially when it comes to running your business successfully. The more you know, the more you can mitigate risk and liability, ensure predictable EBITDA, and reduce your overall spend. That's why performance data is so important.

"Simply put, performance data is information that indicates how an operation, program, or other element of your business is performing," says Morgan Parsons, director of marketplace operations at ServiceChannel.

Depending on the type of business you run, there could be all kinds of performance data you could harness to measure your operations' efficiency, effectiveness, spend, and more. In manufacturing, for example, you might want to know the spend for stamping a widget, how long it takes to produce each one, and what percentage of them fail to meet customers' acceptability requirements.

Similarly, in facilities management, you might measure the average spend per work order, the time it takes to complete a work order, and the percentage of work orders a service provider completes during their initial visit.

"By understanding these metrics, CFOs can identify areas of opportunity or concern and align their teams to address the root cause and enhance the performance of the organization," Parsons says.

Why Performance Data Is Important

Performance data opens a window into an organization's health and gives business leaders concrete information they can use to make educated, future-focused decisions.

"More specifically," Parsons says, "a CFO could use performance data to best understand the areas of their business that are costing them resources, creating waste, or performing suboptimally. This should be important to assessing resource needs, ROI associated with internal investments, or in determining where resources could be removed. Additionally, these metrics can be used to determine where to invest."



Track Now, Save Later

One key benefit of performance data is that it can help you stay on top of asset maintenance so you aren't hit with unexpected and costly repairs at any of your locations.

Let's say you oversee the financial operations of a chain of restaurants. If you use a multilocation facilities management software program such as ServiceChannel Analytics, you can easily track when your equipment — e.g., HVAC — is due for upkeep and schedule that preventive work with a recommended provider when the time is right.

"Understanding equipment performance, aging, and upkeep costs can inform capital expenditures related to facility investments," Parsons says. In short, the more you know and can plan up front, the more you can save in the long run.



The Case for Location Performance Data: How the Right Insights Can Help You Transform Your Business

Key

- Tracking performance is the key to maintaining consistently high standards across all locations.

Takeaways

- Performance data helps facilities leaders recognize and manage location-specific challenges.
- Data visibility helps align all business functions and supports the sharing of operational insights.

When you own or run a chain of businesses, you likely try to duplicate your best customer experience at each one. However, each location will have unique needs you need to support. From differing weather conditions to regional customer expectations, tracking, managing, and maintaining specific needs can be a challenge.

Fortunately, you have a competitive edge: Location performance data. With an all-encompassing view of how each location is performing across key metrics, this kind of data can provide insights you can use to improve your company in four important ways.

Ensures a Consistent Customer Experience

Customers who visit your business want to have the same experience at each location. To meet these expectations, you can set and evaluate performance KPIs at the location level. Track important metrics like average work order resolution time and completion rate to make sure each location is maintained.

KPIs can also indicate outliers based on a volume of work orders or utility usage. “A spike in a water bill may indicate a plumbing issue that needs repair,” says director of digital facility transformation, Deb Millette.

Facilities data can also assist with site audits to evaluate safety and risk as well as brand adherence. Site audits gather data on the visual condition of locations, which directly impact the customer's impression.

Addresses Your Unique Needs

Locations usually also have different operational needs depending on geography and climate conditions, and performance data can help here, too. For example, a coastal store may need hurricane prep.

“The data can help ensure that the location has the right assets on the property, such as sandbags or hurricane-grade construction,” says Millette. “The data also connects facility leaders with the right provider who can prep the location for a storm or repair any damage.”



Optimizes Your Operations

Location performance data helps determine the success of each location relative to its sales levels and customer traffic flow. You can easily identify your top 10 locations for spend per location and ensure that the list correlates to locations with top sales volume.

“A low performer could indicate an older property that needs updating or behavior within the personnel that needs to be looked into,” says Millette.

She adds that you can also determine if you have the right balance of spend on repairs and maintenance. And compare expenses for owned versus leased properties. “This information can help you decide if you want to renew your lease with certain landlords or change your lease terms to control covered expenses.”

Lowers Your Total Cost of Ownership

Finally, location performance data helps you lower your total cost of ownership by sharing operational insights across all your departments. From store operators to finance, construction, and facility leaders, each stakeholder can be aligned with an integrated view of the ongoing care of each location.

For example, design and construction teams may need to track facilities’ sustainability features, such as onsite solar that needs to be maintained. And the finance team can use data for capital planning and investment prioritization, helping justify an increased spend on locations with high sales and traffic.

Location performance data provides the bird’s eye view that can help facility managers track, manage, and maintain each location, to streamline operations while enhancing the customer experience. And at the end of the day, insights and analytics accelerate your digital transformation and empower you to make smarter decisions based on real-time, fact-based intelligence.



Maximizing CAPEX in Retail Construction: Why Performance Data is the Key

Key

Takeaways

- Construction leaders must “do more with less” and manage resources more strategically.
- Sharing asset performance data helps eliminate siloes between construction and facilities.
- Full lifecycle visibility enables stronger capital planning and “repair vs. replace” strategies.

To support new approaches, retail construction CAPEX budgets have to be focused strategically. Rather than adding locations, retailers are looking for ways to maximize customer experiences and maintain market share within their current portfolios.

Many retailers are focused on remodeling — and even reimagining — their current stores. That’s evidenced in “store in store” partnerships, as well as “click and brick” models that turn retail locations into mini-distribution centers.

For some, it’s a case of wait and see. Lots of cautious retailers are focused on simply maintaining the current standard of their portfolio as they try to define their business model evolution.

“Whatever the long-term strategy, retail construction leaders have to do more with less,” shares Joe Murray, director customer success key accounts at ServiceChannel. “You need to put resources where they make the biggest impact. To make those decisions accurately, you need the data.”

Taking Assets Out of the Black Box

A lack of asset performance data keeps many retailers in the dark. Things get fixed when they break and replaced when they fall apart beyond repair.

It’s hard to budget limited resources effectively with that old school, reactive approach. That’s why there’s now a huge push across the retail industry to capture data on crucial assets out in the field.

“In terms of data capture, retailers can do it themselves, but working with an expert third-party partner can be much faster,” says Murray. “Whatever the audit strategy looks like, you need a platform where the data can be shared, analyzed, and utilized effectively.”

“Whatever the long-term strategy, retail construction leaders have to do more with less.”

— Director of Customer Success,
Joe Murray



Finding Common Ground in the Data

In today's retail paradigm, construction and facilities teams work together in new ways. But traditionally, these business functions have had different priorities and perspectives.

"Facilities tend to think of assets in terms of lifecycle, whereas construction thinks more about installation," says Murray. "Today, there's a huge opportunity for retailers to support collaboration by becoming more data-driven."

When everyone has access to service records and data on asset operational condition, it becomes easier to understand the lifecycle of an asset, or entire fleet of assets. That visibility supports proactive "repair and replace" strategies and effective capital planning for the entire organization.

"Today, there's a huge opportunity for retailers to support collaboration by becoming more data-driven."

— Director of Customer Success,
Joe Murray



Looking Ahead: How Asset Performance Data Can Help You Predict the Future

Key

Takeaways

- Facilities teams that are stuck in “reactive mode” often lack visibility of asset performance data.
- With centralized asset performance data, facilities leaders can make more accurate predictions.
- Adopting proactive maintenance gives facilities teams more time to focus on business objectives.

Making accurate predictions is never easy. But with data to back you up, your facility management team can make smarter decisions in the short term and become more proactive in the long term. Here are three ways you can use asset performance data to future-proof your business.

Embrace a Proactive Mindset

Do you have the time to work towards your long-term goals, or do you find yourself counting down the minutes to Friday? If you're in the second category, you're not alone. Many people working in facilities are too preoccupied with urgent tasks to find the time to focus on their long-term strategy.

“But there is an alternative,” says Leum Fahey, principal product manager at ServiceChannel. “We help our clients use asset performance data as a springboard to become more proactive in managing assets, and their facilities in general.”

ServiceChannel provides the structure to collect, consolidate, and analyze asset data, which provides the actionable insights clients need to make more proactive decisions. “With increased visibility, facilities teams can make better predictions and move forward with smarter, more automated processes,” says Fahey.




Take a Data-Driven Approach

Teams that are stuck in reactive mode often lack visibility of asset performance data. That leads to unforeseen (and often unnecessary) asset downtime, which has a direct negative impact on customer experience. Over time, lack of visibility can lead to a higher cost of ownership for individual assets and for a location as a whole. More time and money is spent on maintenance, and assets may have to be replaced before the end of their predicted lifespan due to suboptimal operation.

And when store managers or franchise operators have to scramble to deal with an issue, it means that they have to shift their attention away from serving their customers. It can also create tension between the frontline team and facilities managers.

Customers increasingly expect great experiences with every visit, which means businesses must provide those consistent experiences to remain competitive and stay top of mind with consumers. "Our platform gives clients the data on how their facilities are performing for their brand, plus the insights they need to gain a stronger footing and to move forward together with a plan," says Fahey.

A woman with dark hair in a ponytail, wearing a dark blue button-down shirt, is working at a coffee counter. She is holding a blue tablet in her left hand and adjusting a silver faucet with her right hand. The counter is white and has a stainless steel sink. In the background, there are wooden shelves with various items, including a large green plant and a coffee grinder. The overall setting appears to be a modern coffee shop or cafe.

***"With increased visibility,
facilities teams can make
better predictions."***

*— Principal Product Manager,
Leum Fahey*

Stay Focused on the Big Picture

Facilities teams should be working toward objectives such as strengthening capital planning, increasing wholesale buying power, lowering cost of ownership, becoming more sustainable, and delivering a superior customer experience.

In reality, they are often spending their days dealing with equipment breakdowns, following up with service providers, and managing daily location upkeep. These little issues add up and get in the way of them achieving more important objectives.

When you move to a more data-driven approach, you increase uptime and apply actionable insights to drive increased efficiency. For example, if you can see that the same freezer model has broken down multiple times in multiple locations, you can decide to keep investing in that supplier, or find a better solution.

“The most important thing is not having the data, but knowing what to do with it,” says Fahey. “With the tools to act on asset performance data, daily operations become smoother. Then, you can find more time to focus on the big picture.”

Asset performance data provides the bird’s eye view that can help facility managers track, manage, and maintain their most critical assets, to streamline operations while enhancing the customer experience. And at the end of the day, insights and analytics accelerate your digital transformation and empower you to make smarter decisions based on real-time, fact-based intelligence.

“The most important thing is not having the data, but knowing what to do with it.”

— *Principal Product Manager,
Leum Fahey*



Optimizing Spend: How Sourcing Professionals Can Leverage Performance Data for Year-Over-Year Savings

Key

Takeaways

- When choosing service providers, sourcing professionals need to balance cost with quality.
- Performance data is an objective measure of providers' price, engagement, quality, and speed.
- With performance benchmarks in place, sourcing becomes more holistic and cost-effective.

When you need to hire a service provider at one of your locations, it's natural to focus on your contractors' hourly rates and trip charges. But this pure cost-based evaluation can have unintended consequences.

A low hourly rate might translate into low-skilled providers who take twice as long or deliver sub-par work. You may wind up paying more in total repair cost than if you had chosen a higher-priced, more experienced provider.

While a crystal ball would be helpful, ServiceChannel Analytics is an even better solution. It converts your data into dynamic insights that you can use to make smarter, more strategic sourcing decisions.

"Sourcing professionals are taking a more holistic approach, considering not just the labor rate but the opportunity cost of not having things fixed properly," says Michael Sutherland, vice president of product management for ServiceChannel. "Property owners can lose revenue and their customers may become dissatisfied and defect to a competitor when equipment is not in service and they're not able to purchase the product they wanted."



Maximize Your Facilities Performance

ServiceChannel Analytics includes financial, operational, and strategic dashboards that flag key trends, hotspots, and outliers. For example, you can track work order history by spend or volume, work order aging, and invoice averages by trade or category. You can analyze store manager feedback, invoice spend by region and location, and repair versus replace conditions.

“Sourcing with provider performance data allows you to not only look at the cost of services, but the total cost of ownership,” says Sutherland. “Manually compiling performance history could be a big investment, especially with many providers, trades, and locations. But you can grow a portfolio without adding additional people to manage by using a technology partner like ServiceChannel.”

Performance data aggregates details on every asset, work order, location, and provider. Sourcing professionals can spot trends to make strategic improvements to support capital asset planning and annual budget development. And they can get help selecting the best providers by using objective performance data to measure price, engagement, quality, and speed.

“Sourcing with provider performance data allows you to not only look at the cost of services, but the total cost of ownership.”

*— Vice President of Product Management,
Michael Sutherland*



Reduce Year-Over-Year Spending

All companies want to boost the bottom line, and one way to do that is to minimize expenses. "Procurement professionals are incentivized to reduce year-over-year cost. They typically don't look at non-financial metrics like the recall rate or multiple visits from providers who didn't resolve problems on the first visit," says Sutherland. "Having 20% of work requiring a second visit will significantly increase a portfolio's facilities spend."

One of the challenges facilities professionals face is a lack of equivalent benchmarks. Companies are limited to their own expenditure data and cannot access information about what other organizations are spending on similar services. This lack of comparative insight can hinder companies from optimizing their spend and achieving greater cost efficiency. ServiceChannel can provide that visibility because it creates cost and performance benchmarks from millions of transactions performed by more than 70,000 providers ranked by results.

"Provider performance data can inform and support your negotiations," says Sutherland. "Our benchmarks can set standards for an RFP and offer independent measures of evaluation. Also, ServiceChannel's search tool can identify high performing providers benchmarked against their peers on an as-needed basis. Companies can deliver bottom line results via consistent marginal improvements to cost and performance. By using performance data in a buying decision, they can deliver favorable operational revenue results by simply ensuring their facilities are clean, and their revenue-generating equipment is up and running."

The benefits are clear. By tapping into data, procurement leaders can deliver measurable results and a better customer experience that allow them to achieve a greater return on their investments.



The Detail Is in the Data: Objective Stats Take the Guesswork Out of Building Your Provider Network

Key

Takeaways

- When sourcing providers, it can be a real gamble to rely purely on word-of-mouth referrals.
- Performance data tells the true story of a provider's price, engagement, quality, and speed.
- With centralized performance data, you can continually benchmark and compare providers.

When you need to upgrade the lighting at your business, replace or tune up your HVAC system, or perform any sort of general maintenance or repairs on assets, you don't want to work with just any service provider. You want to work with a trustworthy specialist who has a verified, objective track record of successful execution, efficiency, and reasonable rates.

In short, you want the best bang for your buck. Provider performance data can help you get just that.

What Is It?

Provider performance data includes a variety of information, from how long a provider takes to complete a work order to how much they charge on average. And that's just scratching the surface of the data that ServiceChannel gathers.

"We collect all quantifiable performance data," says James Hemsarth, director of provider development at ServiceChannel. Ultimately, he says, that data — or key performance indicators (KPIs) — fit into four major categories: Price, engagement, quality, and speed. The fifth, search score, provides the top-ranked provider for a specific search criteria by considering all four categories.

"Understanding what's good and what's bad for each of these KPIs is vitally important to choose the right provider or uphold provider's performance," Hemsarth says. "You do that, and you will have timely completed work orders with the utmost quality at the lowest cost."



Why Objective Data Matters

Have you ever hired a provider based on a word-of-mouth recommendation only to find they weren't a good fit for your business's needs? Working with the wrong provider can be more than a minor inconvenience: It can quickly turn into an expensive time suck.

That's the pitfall of subjective referrals — and why objective data on a provider's price, engagement, quality, and speed are so critical for making the best match.

"The detail is in the data," Hemsarth says. "You can prefer one provider over another based off experience, but it's the data that tells the true story."

Having objective insights can help you make an informed hiring decision and establish a trusted, strategic relationship with a highly qualified provider. To put it another way, relying on hard data — like what ServiceChannel collects — helps alleviate risk.

"We have the performance data on the granular level," Hemsarth says. "Finding a provider on your own would be risky, as you would have no performance or cost data to rely on. In addition to the general KPIs, we also collect qualifying data (licenses, number of technicians, coverage area, certificates of insurance, truck count, etc.). We're able to maintain all of this information for our clients."



The Best of the Best

To make the most of provider data, you need more than one individual provider's stats. You need to know how the KPIs of different providers stack up against each other so you can find the best match for your business's needs.

At ServiceChannel, the pool is large: More than 70,000 high-performing service providers across a variety of trades work on the ServiceChannel Marketplace platform. Providers are listed by several different groupings, such as trades serviced, coverage area, spend, and more. To make choosing the right provider even easier, ServiceChannel also gives each one an overall rating based on their various performance data so you can see, at a glance, how one provider compares with another.

These tools can help you build your network and optimize it over time. That's because you can continually compare your providers — from electricians and HVAC technicians to general contractors, plumbers, and more — against the best of the best in the market. That data visibility also holds service providers accountable for their performance and empowers them to work more efficiently, which saves you and your business time and money. And when a provider performs well, that shows in their stats, which in turn helps them build their network of customers.

"Having the performance data is the secret sauce in building and maintaining a top quartile provider network," Hemsarh says. "Too often, a provider says, 'Yes, I can do that,' only to fall short. We have the actual historical performance data that proves the providers can perform fast, at a high level, and at a lower cost (comparatively speaking to their cohort)."

"Having the performance data is the secret sauce in building and maintaining a top quartile provider network."

*— Director of Provider Development,
James Hemsarh*



From Reactive to Proactive: How Facility Management Software Can Help Retailers Stay Ahead of the Game

Key

Takeaways

- Comprehensive facilities management software can give retailers a competitive advantage.
- A data-driven approach empowers facility management teams to adopt a proactive mindset.
- Proactive facilities management has a positive ripple effect on all aspects of a retail business.

Facilities managers in the retail space are often forced onto the front line, managing customer support teams when things go wrong. Rather than being focused on improving operations efficiency at a high level, managers oftentimes find themselves struggling to keep up with day-to-day system failures that should have been addressed days, weeks, or even months ago.

The problem is, the inefficiencies that lead to outages, broken systems, and other issues are often invisible, slowly building over time.

There aren't any problems until there are far too many happening all at once.

An effective asset management system empowers facility management teams to adopt a proactive mindset by providing access to asset performance data that allows them to make informed decisions and stay focused on the big picture.



Why Retail Facilities Management Software is Essential for Your Business

Preventive maintenance through asset management software isn't just good business practice — it's crucial for retailers to stay ahead of the competition and provide exceptional customer experiences.

Customer Loyalty

Customers expect a seamless shopping experience, and any inconvenience caused by malfunctioning equipment or facilities can leave a lasting impression. Asset management helps retailers prevent any breakdowns that may disrupt the customer experience, making it far more likely that they'll keep coming back. In addition, asset management software leverages technology so that retailers can track customer feedback and complaints, enabling them to proactively address any issues and improve customer satisfaction over time.

Capital Planning

Capital planning is a critical component of retail operations, as retail leaders need to ensure that they have enough funds to maintain, replace, and upgrade their assets. Insights into the condition of their assets are critical in helping retailers allocate capital budgets more effectively and reduce the risk of unexpected expenses. In addition, asset management software gives retailers the ability to track asset lifecycles and predict when assets will need to be replaced, enabling them to more precisely plan for future capital expenditures.

Total Cost of Ownership

Asset management software can also help retailers reduce the total cost of ownership (TCO) by minimizing equipment downtime and extending their assets' lifespan, avoiding expensive repairs and replacements by keeping things in good working order. This helps retailers schedule preventive maintenance to address issues before they compound over time, saving significant amounts of money in the long run.

Team Performance

By automating asset management processes, retailers can reduce the workload of their facilities teams and free up their time to focus on other tasks. Asset management software also provides real-time data on the condition of assets, enabling facilities teams to identify and address issues more quickly. In turn, this can improve team performance and enable retailers to provide a higher level of service to their customers.



Top Retail Facilities Management Software Features to Look for

When it comes to retail facilities management software, there are several key features that retailers should look for.

Preventative Maintenance Scheduling

Preventive maintenance scheduling enables retailers to plan maintenance far in advance to prevent breakdowns and ensure they are always in good working order. This can help retailers reduce the cost of ownership of their assets in the long run.

Asset Tracking

This allows retailers to track the condition and location of their assets in real-time, providing greater visibility and control over their operations and improving the overall performance of their facilities management program.

Provider Optimization

This gives retailers the ability to track how service providers are performing and ensure that they're meeting their service level agreements. This can help retailers identify top-performers and reduce the risk of unexpected downtime or service interruptions.

Ultimately, retail facilities management software should be comprehensive, yet flexible, customizable, and designed specifically for the unique needs of the retail industry. By investing in the right software and prioritizing effective asset management, retailers can reduce costs, improve customer satisfaction, and support long-term growth.



Driving Growth: The Power of Construction and Facilities Collaboration

Key

Takeaways

- Traditionally, construction and maintenance teams are focused on different objectives.
- Centralized location performance data supports stronger collaboration across teams.
- With historical data to work from, new build-outs and remodels become more successful.

It's no secret that construction teams are increasingly faced with the challenge of "doing more with less" as businesses seek to optimize strategies and resources. But by leveraging location performance data, they can make more informed decisions that drive efficiency and deliver exceptional customer experiences.

Streamlining Collaboration

Traditionally, facilities and construction teams have operated in silos, limiting their ability to collaborate effectively. However, by centralizing maintenance data in a single platform, a common ground is created for stronger cross-functional collaboration. This empowers people in construction to understand the maintenance requirements of a location after it is built. As a result, businesses can construct and remodel locations that require less maintenance, ultimately reducing costs while enhancing the customer experience.

"ServiceChannel allows businesses to create a single source of truth for all maintenance records," shares Chuck Carroll, multiunit facilities guru at ServiceChannel. "Once your business has data on the day-to-day maintenance and operations processes and costs, that data can easily be shared with the construction team. Using your historical data, you can start to forecast when a location will need to be remodeled and better understand what needs to go into that location."

More Strategic Decision-making

Before a remodel, the construction team will typically want to know how much has been spent year-over-year on a particular location. That includes a list of what the maintenance and operations teams have replaced, such as HVAC, office equipment, cooking equipment, and refrigeration units. With centralized maintenance records, construction teams have a more complete picture, which gives them the ability to make more accurate strategic decisions.

"In the restaurant and grocery sectors, food service equipment is expensive to replace," says Carroll. "Often, it's not on wheels, so installation requires the construction team or a third-party contractor. With ServiceChannel, you can see what it costs to maintain each unit and decide whether it makes financial sense to replace it or not."

"For example, a burger chain might buy a bun toasting unit in bulk and install it in many locations," continues Carroll. "If you find out that the toaster tends to break a lot, you have the maintenance spend to fix it, plus the cost of compromised customer experience when people are served cold buns. In such a case, construction can work with the culinary team to find a new option. But construction wouldn't have that information if facilities didn't provide it."

Maximizing Appeal And Profit

In recent years, the convergence of several trends has forced many retail, restaurant, and grocery businesses to adapt their business models and stores to maintain market share and customer loyalty. Before wider rollout across the portfolio, new concepts such as “store in store” partnerships and “click and collect” offerings usually need to be trialed in test markets.

When the operations and construction teams meet to refine and expand on new concept designs, a clear record of pain points from the prototype helps them to collaborate and find better options to avoid those issues in other locations.

“In the front of the house, it is crucial to understand how much it costs to maintain visual standards,” says Carroll. “For example, construction might install flooring that looks great on opening day, but it may not hold up in regions that get a lot of snow or rain. With a clear record of such issues, construction teams can maximize CAPEX spend and make sure that new concepts are both appealing and profitable over the long term.”

“ServiceChannel allows businesses to create a single source of truth for all maintenance records.”

— Customer Success Manager,
Chuck Carroll



Unlocking Strategic Capital Planning: Leveraging Asset Performance Data for Optimal Investment

Key

Takeaways

- Asset performance data supports strategic capital planning and prioritization of investments.
- Tracking downtime and TCO provides a more accurate picture of each asset's projected useful life.
- Having access to quality data related to asset performance informs stonger repair/replace decisions.

When it comes to capital planning — deciding where to invest resources in your business and budgeting accordingly — you don't want to guess where your money would best be spent. You want to know for sure so you can allocate your budget confidently, knowing you're making the best use of your finances to set up your business for success. To do that, you need asset performance data.

Understanding Asset Performance Data

Asset performance data can give you visibility into "where certain pieces of equipment are underperforming," says Dylan O'Neill, a senior product manager at ServiceChannel, which specializes in providing actionable insights to CEOs and CFOs so they can make informed decisions at their facilities.

That is, asset performance data can help you determine which equipment is no longer worth investing in, O'Neill says: "Maybe those pieces of equipment have actually been failing and out for repairs more times than expected, and so you end up sinking more budget into those assets over time."

Those are, in a nutshell, two key pieces of asset performance data that can help you with strategic capital planning: Asset downtime and an asset's total cost of ownership.

Total cost of ownership would include, among other things, how much you spent to buy the equipment plus how much you spend on maintenance and repairs over time.

Asset downtime — how often and how long a piece of equipment has been out of commission — comes with other sneaky costs besides whatever you spend on repairs. Say you run a restaurant and your fryer is broken, so you can't make and sell fries until it's been fixed. During that asset downtime, you're missing out on potential revenue and your customers are missing out on one of your products. That, in turn, can affect your brand image.

"If I go to a Todd's Taqueria here or a Todd's Taqueria down the road, I'm expecting to have the same experience, getting the same food that I'm normally ordering," O'Neill explains. "Not having your assets up at locations can obviously impact customer experience and impact the revenue that that location brings in."



Using Data in Your Capital Planning

Understanding asset downtime and total cost of ownership is just the first step. Using that data in your capital planning is next.

“Most companies, when they buy a piece of equipment, have this general ‘useful life’ that they apply to it,” O’Neill says. Back to the fryer example: “When they purchase a new fryer, the general expectation is maybe that it should last 10 years. But if you start to see that performance is degrading over time and it’s actually requiring more repairs and you’re investing more into that asset, it’s likely that that asset might not even live to its useful life.”

Instead of guessing when you’ll need to replace an asset based on its age — which could result in unplanned expenses that eat into your capital planning budget — you should use performance data to get a much more precise view of your asset’s health. That way, you can approach capital planning strategically from the get-go, factoring in anticipated repair and replacement needs and prioritizing investments.

“The more data and the better data that you have being tied back to your actual pieces of equipment,” O’Neill says, “the more informed you’re going to be to make those types of repair/replace decisions or identify these larger capital investment needs.”



The Key To Revenue Growth: How Performance Data Helps Reduce Total Cost Of Ownership

Key

- Asset performance data strengthens a company's overall digitalization strategy.

Takeaways

- Deep visibility of asset performance data empowers facilities teams to cut waste.
- Top-performing assets contribute to top-performing locations and a superior CX.

In today's competitive business landscape, every business, from retail to restaurants, can benefit from embracing a more data-driven approach. Equipped with the ability to gather and analyze comprehensive performance data, businesses can gain a deeper understanding of operational costs. This enhanced insight fosters efficient operations, precise capital planning, and ultimately, a better bottom line.

Taking A Data-Driven Approach Has Never Been Easier

IoT technologies are maturing to the point where businesses of all sizes can leverage asset-generated data to support proactive maintenance, which in turn helps minimize operational costs from materials and equipment. Collecting data from assets is just the first step though. One of the biggest challenges many businesses face in relation to digital transformation is breaking data out of siloes, both at an organizational level and a platform level.

"With an IoT management platform, you can begin to unite operational condition data from all your mission-critical assets," says Leum Fahey, principal product manager at ServiceChannel. "Though we have preferred partners, almost any IoT platform can securely share data with ServiceChannel through simple API integrations."

"Once your asset-generated data is integrated with ServiceChannel and the rest of your tech stack, you can cross-reference that data with maintenance spend, asset depreciation, and many other metrics," continues Fahey. "Having all your data in one place creates a common ground for collaboration across teams, including construction, real estate, maintenance, and operations."





Data As A Path To More Efficient Operations

When your business has portfolio-wide visibility of how energy is being used on equipment such as lighting and HVAC, you can see where waste is occurring and take steps to mitigate unnecessary spending. And incremental improvements made at each individual location can quickly add up to a lower total cost of ownership for an entire portfolio.

In addition to improved budget allocation, reducing waste offers the added benefit of strengthening a company's sustainability profile and brand reputation. Leveraging asset performance data can even help businesses appeal to new customer segments.

"One of our clients is a well-established retailer with a loyal base of older customers, but they wanted to increase their appeal with younger shoppers, who perceived the brand as somewhat old fashioned," shares Fahey. "By leveraging performance data to become more energy efficient, that customer now has verifiable proof points that help them promote the eco-friendly shopping experience that is important to many younger customers."

Maintaining Opening Day Standards

Your locations are the face of your brand and are critical for building customer loyalty. Once the construction of a new or remodeled store is complete, it is largely up to facilities teams to keep the location looking fresh and inviting for as long as possible.

Part of the job of maintaining opening day standards requires planned maintenance and onsite inspections of store conditions. But with more data to work with, maintenance teams can start to see into the future, which supports preventive maintenance, improved asset uptime, and an optimal guest experience.

By looking at what has and has not worked in the past, historical performance data helps businesses make strategic decisions that ensure new and remodeled locations function efficiently.

"With an IoT management platform, you can begin to unite operational condition data from all your mission-critical assets."

*— Principal Product Manager,
Leum Fahey*

Ensuring The Best Customer Experience

Once you can leverage asset performance data at an operational level, it becomes easier to automate tasks and reduce the maintenance team's workload. Then, maintenance has more capacity to deal with any unforeseen emergencies that do occur, mitigating the risk of lost revenue due to the breakdown of mission-critical equipment.

Preventing problems before they occur can also improve relations between various business functions. When the operations team doesn't have to chase maintenance to get things fixed, there's less internal conflict, and they have more time to focus on customer experience.

"When all the assets in your stores are running at top performance, you can deliver a better customer experience, which in turn increases customer loyalty and profit," shares Leum Fahey. "That's the ultimate value of location performance data."

"When all the assets in your stores are running at top performance, you can deliver a better customer experience."

*— Principal Product Manager,
Leum Fahey*



A photograph of a grocery store produce section. The shelves are filled with various fresh vegetables, including packaged leafy greens, carrots, and cucumbers. The lighting is bright, highlighting the freshness of the produce.

Start Turning Your Data Into Business Value

Making accurate predictions is never easy. But with data to back you up, your business can make smarter decisions in the short-term and become more proactive in the long-term.

Performance data is empowering our forward-looking customers to accelerate digital transformation. Get in touch to learn how ServiceChannel can help you make the most of your asset, location, and provider data with accurate, predictable reporting.

ServiceChannel.com