



NUCLEUS  
RESEARCH

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# THE SERVICECHANNEL EDGE

## THE BOTTOM LINE

**“Edge” enterprise resource planning (ERP) application ServiceChannel automates commercial contracting, bringing more visibility into facility maintenance and service for commercial facilities.** ServiceChannel enables facilities to select and manage third party contractors based on actual metrics, resulting in improvements in the quality of service they receive. Nucleus expects ServiceChannel customers to experience greater ROI and benefit from cost savings, risk mitigation and compliance, and analytic capabilities.

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## OVERVIEW

ServiceChannel is a cloud-based marketplace for the facility maintenance and service sector that allows multi-location, commercial facilities to find, manage, pay for, and analyze contractors. It has over fifty-thousand contractors in over 60 countries within its database. ServiceChannel generates benefits for its users by increasing visibility into a process which was once shrouded by lack of automation, security and analytics. The service automation platform – which includes, among other features, work order management, payment processing, contractor sourcing, and business intelligence – is a software as a service (SaaS) platform that takes advantage of crowdsourcing, helping users obtain needed services through an online community rather than through hired employees or suppliers.

There are other cloud platforms that take advantage of crowdsourcing, like Clickworker, which provides copywriting, translation, and content creation services, or HotSchedules, which provides employee scheduling and talent sourcing services. ServiceChannel is unique, however, in that it uses metrics versus opinions to rate service providers, giving each in-depth, custom score cards. This increases

transparency for users into the quality of service they will receive, and creates a fair system for service providers.

## EDGE APPLICATION

Companies are investing in applications that fall outside the core functionality of software to automate processes, increase productivity and gain greater returns from their technology investment. These “edge” applications have been particularly prevalent in the customer relationship management (CRM) space, where vendors have been incorporating them to bolster their product offerings. Nucleus found edge applications deliver 4.2 times the return on investment (ROI) of core implementations in the CRM space, due to their acceleration of deal momentum, reduction of human error, and increase in employee productivity (Nucleus Research *Q103- Edge CRM Delivers 4.2 times more ROI*, June 2016).

ServiceChannel does not fall directly within the core functionality of enterprise application software, categorizing it as an edge application. Rather than an edge CRM application, however, ServiceChannel falls into the enterprise resource planning (ERP) space and is used alongside ERP systems to automate core business processes related to work order management, preventative maintenance, financial management, and analysis. As an edge application, Nucleus expects ServiceChannel to have positive effects on the ROI of core ERP implementations, due to improved quality of service, cost savings, heightened security, brand consistency, and analytic capabilities.

## KEY BENEFITS

### BENEFITS TO COMMERCIAL FACILITIES

Nucleus identified key benefits of implementing ServiceChannel that, when used alongside ERP systems, lead to a positive ROI:

- Improved quality of service. Contractor Scorecards and profile scores enable ServiceChannel customers to find and manage contractors most suited to their needs. Contractors are rated based on key performance indicators (KPI) such as first time completion rate and on-time arrival, as well as historical insights into total number of work orders completed and average project resolution time. Customers have visibility into the number of work orders completed in various trade areas, helping them understand contractors’ area of expertise. With so much information at their disposal, ServiceChannel customers are more likely to

select the most experienced and fitting contractor for the job, improving the quality of service they receive.

- **Cost savings.** The vast network of contractors in the ServiceChannel contractor directory, Fixxbook, provides access to contractors of all price ranges, and the ServiceChannel Service Automation platform allows customers to set financial controls to find contractors that fall within their budget. Enhanced operational efficiency and the reduction of project mismanagement enabled by ServiceChannel also cut costs. The ease with which users are able to find service providers far exceeds the status quo – word of mouth or manual Google searches – increasing time savings and the productivity of employees such as project managers.
- **Risk Mitigation.** Customers are able to verify the identity of contractors and ensure they are thoroughly background checked before entering the store, as well as confirm their whereabouts and time onsite using real-time GPS and IVR identification. Most companies today permit contractors to enter stores without undergoing any of these safety measures.
- **Compliance.** ServiceChannel Compliance Manager allows customers to monitor and manage contractor adherence to company specific requirements so that brand standards are met across all locations worldwide. High-end retailers like current ServiceChannel customer Neiman Marcus use ServiceChannel to ensure brand quality and consistency. Proprietary contract creation capabilities enable customers to create company-specific terms and conditions to which contractors must agree, further ensuring compliance.
- **Analytic Capabilities.** The ServiceChannel Analytics platform is powered by GoodData and brings analytics, visualization and business intelligence to the facility maintenance and service sector. It uses strategic, operational and financial visualization dashboards to help companies make more informed decisions and gain a better understanding of contractor performance.

## BENEFITS TO SERVICE PROVIDERS

ServiceChannel benefits commercial facilities by increasing visibility into a process which was once shrouded by lack of automation, security and analytics, but it also brings better business to service providers. Nucleus considered the benefits ServiceChannel brings to the service providers in its network:

- **Increased exposure.** For smaller contractors, the ServiceChannel platform brings them exposure that could expand visibility without additional marketing costs.

- Rated on metrics. Contractors have the peace of mind that they will be evaluated based on performance metrics, and do not run the risk of derailing their business with one bad review. It also serves as a powerful tool for self-promotion, as contractors are able to convey their worth through measurable results.
- Ease of payment. The ease with which contractors are paid decreases their own accounting responsibilities and ensures timely, secure payment.

## CONCLUSION

With the integrated nature of ERP platforms, Nucleus sees edge application acquisition taking off in the ERP space just as it did in CRM. ServiceChannel offers a robust solution and has very little competition in an area that Nucleus believes has significant potential for growth, and has a real need for increased visibility. We expect ServiceChannel will soon become the target of ERP players. A partnership could be a strategic move for ServiceChannel, as their greatest challenge is lack of awareness around their product. With a larger name behind them, ServiceChannel could gain visibility and position itself well for growth.