

RETIREMENT CLIFF PUTS FIELD SERVICE OPERATIONS AT RISK

The medtech industry is no stranger to change.

Increasing customer demands coupled with reduced budgets, higher targets and new technologies are requiring organizations to think differently and pivot seamlessly — all while balancing risk.

A new challenge the medtech industry is facing is how to plan for the aging workforce crisis among field service engineers.

This approaching talent shortage is forcing medical device and diagnostic manufacturers to explore and implement the following options:

1. Technology

Automate, optimize and streamline field service productivity with new technologies

2. New Talent

Adapt existing recruitment and development plans to hire and train new talent

3. Outsource

Outsource the field service arm of the business to a trusted, third-party provider

In a study conducted in 2017 by The Service Council,

50%

of business leaders in the medtech industry indicated the field service talent shortage will become "extremely critical in the next 5-10 years."¹

Technology and Service Excellence

Understanding the role technology plays is important, but it has limitations with regard to delivering service excellence and driving customer satisfaction. At its core, field service is a business driven by people.

In addition, the expectation for delivering exceptional, personalized customer service with communication that meets the customers' expectation is higher than ever. Organizations like Tesla and Apple are setting a new standard for service excellence and manufacturers are looking to elevate their service delivery at every opportunity, including their field technical support. Further, Materials Management, Environmental Services and Biomedical customers expect nothing less than personalized service and support that addresses their immediate need and reinforces a joint partnership. This level of service excellence is delivered by the team and streamlined by the technology.

Developing a Formalized Workforce Succession Plan

Medtech manufacturers are facing several key challenges and opportunities when developing their formalized workforce succession plans to attract, train and retain new talent.

- **Investment in Knowledge Capture** - With an increase in talent turnover, organizations are attempting to find new methods and tools to capture and retain resolution practices.² This would allow them to, in turn, educate the new talent coming on board.
- **Length of Onboarding** - In a study conducted by Field Service News from 164 field service engineers across multiple industries, respondents indicated three-to-six months as the typical duration of onboarding for 55 percent of respondents, with 34 percent indicating an onboarding cycle of one-to-two years.³ This extended onboarding time frame increases the urgency for developing the succession plan and identifying the appropriate talent that would support the role in the long-term.
- **Millennial Adjustments** - When assessing the talent pool, organizations are exploring all avenues for finding talent with this skilled trade — from technical college graduates to military veterans. One of the largest obstacles organizations face is that millennials have different priorities than those currently retiring from the profession — including the priority of work-life-balance over financial remuneration and the value placed on a diversified career path.³
- **Training Methodology** - Beyond mentor and shadowing programs that pair retiring workers with new employees, the Field Service News study indicates organizations are more recently utilizing video conferencing and augmented reality training methods as they allow for increased flexibility and part-time support.³

Outsourcing with a Third Party

One of the primary study conclusions in the Field Service News study is that there is a gradual shift in workforce dynamics whereby field service support services has become increasingly outsourced.³

80%

of field service companies who outsource their service engineer work state that they have increased the amount they outsource within the last three years.⁴

In May 2018, the FDA released a report that examined product servicing by manufacturers, healthcare establishments and third-party providers who refurbish, recondition, rebuild, remarket, service and repair medical devices. Two key findings were highlighted:

- "The objective evidence indicates that many OEMs and third party entities provide high quality, safe, and effective servicing of medical devices, and
- The continued availability of third party entities to service and repair medical devices is critical to the functioning of the U.S. healthcare system."⁴

Today, NovasYTE supports many of the largest medical device and diagnostic players in the industry and has also experienced a significant increase in field technical outsourcing in recent years. Our network of 2,200 consultants throughout the US and Canada help us to support our clients with custom, dedicated programs that scale quickly and provide the highest-quality service under W-2 employment classification. Additionally, we actively recruit veterans through our partnership with MVPvets.

Sources:

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