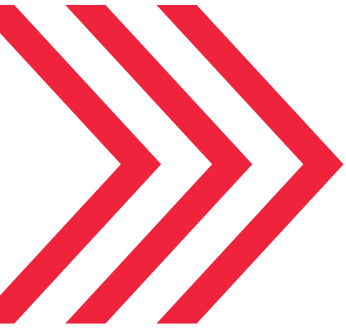


STAND OUT SERVICE TRENDS 2026

How Leaders are Navigating
Today's Challenges While
Preparing for What's Next

FUTURE
OF FIELD SERVICE





From the Editor

Sarah Nicastro | *Creator, Future of Field Service*

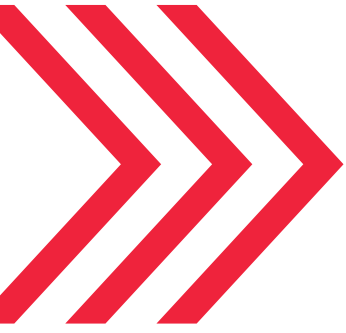
Future of Field Service's annual leadership award, the Stand Out 50, was created to recognize leaders going above and beyond. The award is now two years' strong, and we've asked our Stand Out 50 Leaders to share their perspective on some of the key areas of service, collected through an anonymous survey and optional follow-up conversation.

Stand Out Service Trends 2026 explores what's top of mind for service organizations navigating a period of economic pressure, workforce shifts, rising customer expectations, and accelerating technological change.

Organized around the core pillars of people, process, and technology, the report examines how leaders are balancing short-term realities – such as cost management, retention dynamics, and change fatigue – with long-term priorities including leadership development, service differentiation, and AI-driven transformation.

While not intended as a statistically representative view of the entire service landscape, the perspectives shared offer a valuable snapshot of how forward-thinking leaders are adapting today and positioning their organizations for what's next. We hope you find it helpful!





Keeping People at the Forefront

Navigating Short-Term Shifts in Workforce Dynamics While Staying Focused on a Strategy for Long-Term Success

In last year's version of this report, 86% of leaders reported finding hiring challenging or extremely challenging – this year that percentage has fallen to 62% (although another 35% report somewhat challenging). In conversation with Stand Out leaders, however, they are quick to dispel the notion that hiring has truly become easier. Rather, they offer some potential explanations for the difference in response.



First, they suggest any true shift is due to lower attrition rather than improved talent availability – hiring might not feel as intense a challenge to leaders because some are doing less of it at the moment. Leaders provide examples from various locations globally of employees opting for stability due to economic uncertainty. “We see retention becoming less an issue linked very much to the instability of the market,” one European leader shares. “People are taking less risk and seeking companies that can give them stability for the next few years. It’s a cycle.”

In addition, some companies may feel less strain because of the recent efforts they've invested to

evolve their job qualifications, hiring processes, and options to train and mentor talent who have strong potential but no prior experience.



62% FIND HIRING CHALLENGING OR EXTREMELY CHALLENGING. ANOTHER 35% DESCRIBE HIRING AS SOMEWHAT CHALLENGING.

A leader from Germany echoes the results they've seen from a shift to hiring younger talent and creating new career paths. “The combination of young talent development and career paths has been quite a success for us,” he shares. “If you have a good program to grow and develop young talent through the organization, you can develop skill sets within your organization versus having to hire them externally. But you must be a bit faster than other parts of the industry, and that can be a challenge.”

One UK leader points out that while they don't struggle to recruit technicians, with newer skills in demand they've begun to experience challenges in attaining the right back-office talent. “With the advance of AI and data, there seems to be a limited pot of talent coming out of universities on the open market, and they demand a high value. That's fair enough, but they are few and far between,” they say.

Retirement Volume & Turnover Risk

While this year's response shows lower turnover rates, at least for now, many organizations must prepare for the reality that a large percentage of their frontline workforce is set to retire in the next five years. The reporting of above-average turnover rates was **23% lower this year**, reinforcing the sentiment leaders shared above.

Again, lower turnover may not be entirely situational, though. One leader shared, "We've put effort and investment over the last three to four years into reducing our turnover rates from high to average. The biggest challenge relating to turnover was work life balance, and this is especially true for the younger demographic of the field force."



68% OF ORGANIZATIONS EXPECT TO LOSE BETWEEN 11-50% OF THEIR FRONTLINE WORKFORCE TO RETIREMENT WITHIN FIVE YEARS.

Even for organizations who currently feel a reprieve in hiring demands, it would be foolish not to keep ample focus on what it takes to recruit and retain strong talent because there's a massive retirement wave coming. Respondents have large volumes of frontline workers set to retire in the next five years: **52% of respondents will see 11-25% of their frontline workers retire in the next five years and another 16% will lose between 26-50%.**

“

“We're hiring younger individuals without industry experience - but we assess for leadership potential from day one.”

”

Reshaping Role Requirements & Training Approaches

Our findings illustrate a steady if slow progression in reshaping historical norms when it comes to role requirements, hiring practices, and training approaches. Job descriptions are being updated more often – 48% within the last six months and 42% within the last year (an increase of 17% from last year).

Fifty-eight percent of respondents are seeking demonstrable skills and capacity for learning but have no experience requirements, or have created an apprenticeship/training program that allows them to bring in talent with no experience and guide them through the learning process (up slightly from 52% last year). "We're hiring younger individuals without industry experience," one leader notes. "But we assess for long-term leadership potential from day one."

Diversity in Field Service

Diversity among service workforces remains a challenge, with 32% of respondents self-reporting a “very diverse” workforce (versus 41% last year) and 58% stating they've made progress in diversity but have room to grow (versus 33% last year). Ten percent say there isn't much diversity at all among their workforce.



LEADERS WHO HAVE MADE
PROGRESS IMPROVING
WORKFORCE DIVERSITY
SAY THE FOLLOWING HAVE
CONTRIBUTED:



“We have moved to using screening tools for aptitude pre-interview to mitigate unconscious bias in the interview process.”



“We encourage and promote our DIG groups, and our global footprint (operating in 29 different countries) allows us to learn from the cultures and experiences of all of our teams. We have regular townhall events and newsletters where we share experiences, cultural celebrations, photos of our countries and even recipes so that we can all learn more about each other.”



“Our CEO has made comments reaffirming his commitment to DEI despite current political pressures. It has helped tremendously knowing we have his support behind us.”



“We have an active DEI program across the company with ongoing training. In our town halls we consistently promote DEI with representation from internal and external resources.”



“We have encouraged the hiring of female FSEs by ensuring both genders can perform the tasks of our field service engineer role. We also support hiring more than one female FSE in any given location to make it easier for them to feel at home and have a buddy for support.”



Building Today's Workforce Into Tomorrow's Leaders

Clear career paths are offered by 74% of respondents, another factor that is likely contributing to lower turnover rates; employees who have opportunity for advancement feel less compelled to need to leave to seek growth. Fifty-two percent of respondents' organizations offer training as often as employees want, 19% annually, 13% quarterly, 10% monthly, and 6% bi-annually. While ample training becomes imperative for organizations that have lessened or eliminated experience requirements, it's also important to regularly reflect on training needs as roles evolve as a result of AI, changing customer expectations, more predictive and remote capabilities, and more.

One area of training and development that's been long overlooked in service organizations is leadership. Strong individual contributors have often progressed through the ranks to leadership roles, some fit for the demands and some not. Making more intentional investments in leadership feels crucial in today's talent landscape – businesses can't manage change and motivate frontline employees the ways needed for success without strong people leaders.

Respondents share how they perceive their company's investment in leadership training:

- Significant: 26%
- Ample: 19%
- Fair amount: 32%
- Not enough: 23%

This aligns with commentary from Stand Out 50 leaders emphasizing generational shifts and underscoring the importance of giving leadership skill building the attention (and investment) it deserves. "We are hiring for potential, but that comes with recognizing there's more we need to do to develop the leadership skill set. There's more we need to teach around emotional intelligence and communication," says one leader. "Leadership today looks much different than it did 20 years ago and it's continuing to evolve."



23% REPORT THAT THEIR COMPANY'S INVESTMENT IN LEADERSHIP TRAINING IS NOT SUFFICIENT.

As companies find ways to attract younger talent and reduce barriers to bringing in less experienced individuals, leadership training is doubly important – to guard against ineffective leaders causing unnecessary turnover, and to build the next generation of leaders. "We do ourselves a disservice if we only focus on today's challenges; we also need to consider what will be required for the workforce of five, 10 years from now," another leader points out.



Putting Proper Emphasis on Employee Engagement

The Stand Out 50 leaders emphatically agree that employee engagement demands time, attention, and focus. According to respondents, the most widely used engagement approaches were:

- Training & development: 100%
- Performance reviews: 94%
- Employee surveys: 87%
- Team-building activities: 87%
- Recognition programs: 81%
- Mentorship programs: 65%
- Flexible work options: 58%

When asked what the #1 factor impacting employee engagement is, beyond reinforcing what's listed above, respondents shared the following:

- "Work life balance."
- "Finding ways to hear the feedback of employees and implement their feedback."
- "Having the right tools and systems in place to make them feel more confident in front of customers."
- "Creating a clear vision and ensuring employees understand the meaning of their role and its contribution to the vision."
- "Senior management that leads by example."
- "Engaged leadership, just in time training, and well communicated promotion goals."
- "Creating safe space and supporting them through challenges."
- "Making all remote employees feel like they are included and considered in all decisions."
- "Great leadership - people want to work for people that appreciate and respect them."



We know workplace culture heavily impacts employee engagement. When asked what they feel leads to a strong culture, **Stand Out 50 leaders** shared the following:

“It’s important to communicate well and make sure everyone is informed before things happen.”

“Trust, delegate responsibility, and don’t micro manage.”

“Aligning on a common purpose, creating a framework for success and allowing people the freedom within it to make decisions and create experiences, manage people up or out when they don’t align, create accountability, treat people well, and celebrate wins.”

“Simplifying and scaling up.”

“Incorporation of people across the organization in change.”

“Lead by example and engage with all areas within the business.”

“Recognition of achievement.”

“Bringing employees together in groups for shared idea exchange and team building.”

“Continued development and ‘team time.’ Allowing time for FSEs to come together and work through technical solutions has been a huge morale booster even if just one day not in the field.”

“Provide the right amount of support for our frontline workers. Get obstacles out of their way and show them that they are valued and appreciated.”

“Develop talent; foster a ‘proprietary culture’ with traditions, recognition & pride; and building a supportive team mindset.”

“Communication and connecting what they do with the needs of the customer and the business to give a sense of value or worth.”

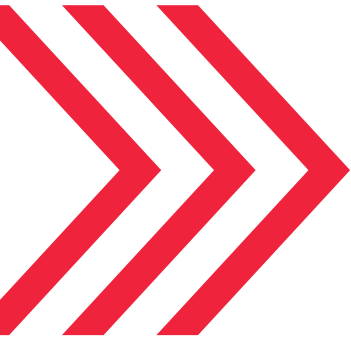
“Connection between leadership and the front line.”

“Engagement across the entire hierarchy.”

“Transparency and humility.”

“Creating a sense of ownership and pride in customer impact.”

“Empowerment.”



Meeting Customer Expectations, Measuring Success & Managing Change

Balancing Cost Pressure, Customer Demands, and Ongoing Organizational Change

Responses indicate that the last year has put pressure on service from both sides – leaders being asked to manage costs for their businesses, and customers applying pressure as they aim to manage costs themselves.

Asked what role service plays in their business, respondents indicated:

- Primary growth engine: 16%
- Significant source of revenue/profit: 45% (vs. 37% last year)
- Equally important to product: 16%
- Important, but less so than product: 13%
- Seen as secondary to product: 10%

Service delivery models in use among respondents are as follows:

- Reactive/break-fix: 23%
- Standard contracts/warranty: 25% (vs. 11% last year)
- Tiered SLAs/preventative: 39%
- Outcomes-based/predictive: 13% (vs. 26% last year)

In talking with Stand Out 50 leaders to help interpret these findings, particularly the drop in outcomes-based service models, it seems that data is more likely chance than trend. “If anything, expectations for outcomes-based contracts are rising,” said one leader. “Customers want deeper visibility and accountability.”



Another leader points to cost pressures as why customers are, at the moment, opting for less expensive – even if less robust – offerings. “I think what we see here is more related to cost pressure. In the U.S., there’s such a downward pressure because of increased cost – both inflationary and tariff-related,” another leader shares. “To help reduce costs, people are temporarily moving away from more expensive offerings, like predictive or outcomes-based models.”

When asked if they feel their company’s evolution of service value proposition is keeping pace with customer demands and the competitive landscape, respondents weighed in as follows:

- Yes, we’re in a strong position: 32%
- We’re keeping pace but I’d like to see us put more effort into getting ahead: 45%
- We’re treading water and trying to determine what our evolution looks like: 13%

Customer Expectations: Speed, Predictability & Transparency

When it comes to customer expectations, the chart to the right shows how respondents ranked what’s most important to their customer base.

The following issues were indicated as top drivers of customer dissatisfaction:

- Delayed response times: 71%
- Lack of communication/updates: 61%
- Incomplete/unsuccessful resolutions: 52%
- Parts/materials unavailable: 35%
- Inconsistent technician quality: 32%
- High costs: 32%

When it comes to incomplete/unsuccessful resolutions, here’s how respondents stacked up in terms of follow-up visits required:

- 0–2%: 19%
- 2–5%: 6%
- 6–8%: 15%
- 9–11%: 26%
- 12–15%: 8%
- 16+%: 26%

“Parts availability is an interesting topic and one customers are really hot on,” one leader says. “They don’t want to hear that you don’t have the part, or it has to be shipped from somewhere – that’s completely unacceptable in any circumstance. Which feels like an impossible task, because you can’t have every single part unless a technician carries multiple of everything in their truck.”



32% FEEL THEIR BUSINESS IS IN A STRONG POSITION KEEPING PACE WITH CUSTOMER DEMANDS.

This seems to be just one area where what customers expect of companies providing more industrial services has been influenced by what’s been proven possible in consumer experiences. The always-on, readily available nature of our world is shaping how customers expect service organizations of all types to show up; a tall task in a period where so much pressure is also being put on cost reduction.

WHAT CUSTOMERS VALUE MOST IN SERVICE:



Measuring Service Success

It was interesting last year to see the disconnect between respondents who indicated the intent to leverage service as a competitive differentiator with customers, but who hadn't moved beyond basic, cost-focused technician KPIs.

This year's replies were a bit more well-rounded, and even included some new measures such as AI adoption included. When asked what KPIs they use to measure technician performance and service success, here's what this year's respondents shared:



EFFICIENCY & PRODUCTIVITY

- Utilization
- Labor efficiency
- Calls/jobs per day
- Averted trips
- Standard repair time percentage
- Hours worked vs. hours billed
- Unaccounted time
- Number of PMs



FINANCIAL PERFORMANCE

- Margin
- Parts used
- Attach rates
- Budget performance
- PM renewal rate
- Repair revenue per maintenance revenue
- Revenue per technician
- Time charged on repair orders
- Cost per case



PERFORMANCE QUALITY

- FTFR
- Repeat visits
- MTTR
- SLA compliance
- PM compliance
- Rework percentage
- Reduction in penalties
- Warranty rate
- Net result



EMERGING & HUMAN FACTORS

- Work-life balance
- Asset audits
- Retention/turnover
- Safety risk compliance
- CO₂ per visit
- Use of systems in real-time
- AI adoption



CUSTOMER EXPERIENCE

- CSAT
- Call backs
- NPS
- Response time



Change Management Remains the Greatest Barrier

With today's long list of rapidly moving dynamics (workforce, technology, customer expectations, competitive set, economic landscape, global uncertainty, and so on), how effectively an organization can lead through change is arguably the #1 indicator of its success.

Unfortunately, managing change well remains a big challenge for many leaders and most organizations. Sixteen percent of this year's respondents find managing change to be very challenging, 68% somewhat challenging, 10% not too challenging, and only 6% not challenging. As AI further impacts our world, both in terms of how it will change customer expectations and how it will reshape what's needed from our workforce,

these struggles are only going to be amplified. Fortunately, 52% of respondents' organizations already handle change management as a continuous effort – focused on building a culture capable of change versus looking at change management from a project perspective only. Nineteen percent of respondents say change management is handled at the leadership level, 16% report it is project-based, and 13% share that it is underprioritized.

These findings closely mirror last year's – and reinforce that determining how best to motivate and support employees through change is something organizations are still grappling with.



Stand Out 50 leaders weigh in on change management practices that work:

“Success stories are the best motivator.”

“Leading by example, piloting and showing success stories, and mentorships.”

“Engaging front line employees in the development. We start with the why and the desired outcome and bring them in to help with developing the solutions.”

“Saturation of information & reinforcement. Small team training across the field team to ensure more adoption.”

“Plan and communicate with key people. Get engagement from influencers across all teams and turn them into evangelists.”

“Co-creation with the frontline.”

“Centralized team with ‘change agents’ in each function.”

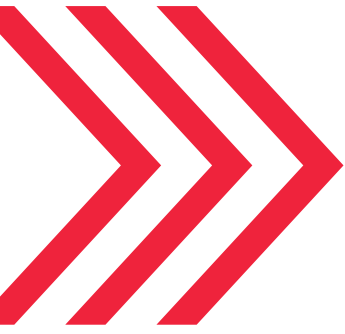
“Don't dictate the change. Work with key contributors who learn and then understand the need for a given change. Collaboration is key to successful change management.”

“The message about our position, why we are where we are and what we are going to do about it comes from group management. The message is then repeated by local leaders via communication packs in order to maintain consistency. We then have continuous initiatives to ensure progress is maintained in the area of change.”

“We've had a lot of success using the PROSCI method.”

“Inclusion at an early stage.”

“Selling the why to the people that will be most impacted. Getting their buy-in if you can, then overcommunicating the changes while allowing for constructive feedback.”



A Modern Digital Approach

Survival Depends on Moving from Digital Competence to Sophistication

Not long ago, a modern approach to technology was a competitive differentiator – but, today, it's required for survival. A digital landscape that enables operational excellence is what many companies are still striving for – meanwhile, customers expect operational excellence (on-time arrivals, parts availability, first-time fix) as a baseline. They're looking for far more, while many are still playing catch up.

Today, the competitive differentiation comes from how you layer intelligence into your digital ecosystem and, more importantly, how you evolve your business around that. Companies who use technology competitively are doing so by eliminating friction, automating mundane tasks, amplifying human talent, and determining how doing those things allows them to serve customers better than ever (and then finding the right ways to communicate this evolved value proposition).

It's impossible to achieve that competitive stance without building upon a strong foundation. So, while some organizations race to add AI on top of stitched-together legacy systems, those who ultimately win will ensure they've modernized in a way that's sustainable, flexible, and scalable.

Building on a Strong Foundation

When asked about the state of their field service management platform, respondents reported their system is:

- Fully functional and future-ready: 28%
- Capable but not ideal for the future state of our operations: 45%
- Not ideal and we're currently evaluating or implementing a new system: 27%



ONLY 28% FEEL THEIR FIELD SERVICE MANAGEMENT PLATFORM IS FULLY FUNCTIONAL AND FUTURE-READY.



In last year's report, one of the areas of biggest concern was the lack of knowledge management – which has improved since. Respondents say:

- We have an effective system in place: 35%
- We have a rudimentary system in place: 58% (vs. 41% last year)
- We have no system in place: 7% (vs. 22% last year)

How Service Delivery is Evolving

Looking at some of the capabilities that are changing how service is delivered, and therefore forcing organizations to consider new value propositions, we asked about self-service, remote service, and predictive service. Here's what respondents shared:

SELF-SERVICE

- 18% - have extensive self-service options and customers are responding well
- 12% - have self-service capabilities, but customers are resistant to using or paying for this option
- 48% - have some self-service capabilities & a focus to expand
- 18% - have some self-service capabilities and that's all we need right now
- 4% - don't see an appetite for self-service

REMOTE SERVICE

- 23% - have transitioned a significant portion of service to be remote
- 20% - are in the midst of transitioning a portion of service to be remote
- 23% - use remote capabilities, but for diagnosis vs. resolution
- 20% - have customer or industry barriers to introducing remote capabilities
- 14% - say remote service hasn't been a focus

PREDICTIVE SERVICE

- 37% – currently provide predictive service
- 17% - have connectivity but don't yet offer predictive service
- 37% - don't have connectivity yet but plan to add
- 9% - have no plans for predictive service



23% HAVE TRANSITIONED A SIGNIFICANT PORTION OF SERVICE TO REMOTE.



The Digital Investment Imperative

So if a modern, high-performing digital landscape is crucial to relevance in the future of service, are organizations prepared to invest in getting there – and doing so quickly? It would seem so; respondents indicate a multi-year trend of upward investment in technology.

They report their technology budgets for 2026 are:

- Significantly increased: 16%
- Moderately increased: 52%
- Flat: 29%
- Decreased slightly: 3%

When asked what areas are represented as priority for their future technology investment, respondents share:

- AI: 39%
- Optimized planning/scheduling: 23%
- Knowledge management: 16%
- Remote service: 10%
- FSM modernization: 12%



68% PLAN TO INCREASE TECHNOLOGY INVESTMENT IN 2026.





Leaders Share Current AI Use Cases

Embracing the AI Era

It's clear in the findings that we all agree at this point AI is more than buzz – it's critical for long-term success. Last year 75% of respondents said advanced AI is crucial for the future of service; this year that number jumped to 90%.

While usage of AI in field service is on the rise, automation levels of field service tasks remain relatively low. This indicates that while companies have begun incorporating AI into operations, there's much work to be done yet to really unlock the promise of AI by embedding it into workflows, incorporating agentic AI, and more.

Seventy-four percent of respondents are currently using AI, up from 62% last year. However, 71% report that less than 10% of field service tasks are automated.

Where AI Raises Concerns

With AI adoption on the rise, do leaders still have concerns? They do – and while AI continues to prove its value, I think its important businesses continue to be thoughtful in their approach.

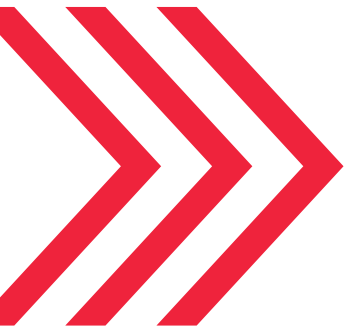
Respondents top AI concerns are:

- Data readiness: 32%
- Accuracy/bias: 29%
- Keeping pace with rapid change: 21%
- Security: 14%
- Hype: 4%

One leader's comment summarizes a really helpful mindset for AI adoption, saying:

“It's important to remember AI isn't magic - you need structure, clean data, and organizational commitment to see the value.”

- *“We use AI in our contact center and are starting to use it for predictive maintenance.”*
- *“We just implemented AI for knowledge gain and machine analytics.”*
- *“We're using AI for data mining of historical troubleshooting.”*
- *“AI is currently being used for triage of service tickets and procedure search.”*
- *“We use AI for knowledge, triage, and parts.”*
- *“We use AI for problem identification and report generation.”*
- *“We're using AI for spare parts prediction and knowledge articles.”*
- *“We're using tech support AI agents and using AI for call summaries, email sorting, and automated reports.”*
- *“AI is used for fault detection and preemptive intervention.”*
- *“We use AI in customer support to answer helpdesk tickets by searching previous tickets and to retrieve standard product information.”*
- *“We use AI to help route customer inquiries and support requests, classify issues, for auto summarization of support cases and for technicians to search for maintenance support for repairs they are working on.”*
- *“We are using AI to pilot predictive maintenance, help with knowledge base updates for the call center, and analyze engineer notes for better insights.”*
- *“We use AI for resource and materials planning, as well as predictive analytics for assets.”*
- *“We're using AI for technical support and to suggest parts by failure analysis.”*
- *“We use AI-based Planning and Scheduling Optimization.”*



Preparing for What Lies Ahead

Why thoughtful, aligned action across people, process, and technology will define the future of service.

The insights shared by our Stand Out 50 leaders reinforce a clear reality: service organizations are operating in a period defined by complexity, constraint, and rapid change – but also by opportunity. Across people, process, and technology, leaders are being asked to do more with less while simultaneously raising the bar on customer experience.

Whether navigating evolving workforce dynamics, responding to heightened expectations for speed and transparency, or modernizing digital foundations, the organizations making the most progress are those taking a deliberate, holistic approach. They recognize that no single investment or initiative is sufficient on its own; sustainable success requires alignment across talent strategies, operating models, and enabling technologies.

Focus on Adaptability

Looking ahead, the leaders who stand out will be those who resist the temptation to optimize only for the present and instead build adaptability into the fabric of their organizations. This means investing in leadership and engagement to support continuous change, modernizing technology with a clear eye toward intelligence and scalability, and evolving service value propositions to reflect outcomes – not just activities.

The perspectives in this report underscore that the future of service will not be shaped by those who react fastest, but by those who prepare most thoughtfully – grounded in strong foundations, guided by clear purpose, and committed to serving both employees and customers better every step of the way.



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