

Learning Without Scars

Quarterly Newsletter

Dynamic Internet Based Learning
TRAINING SOLUTIONS FOR EQUIPMENT DEALERSHIPS
Construction • Mining • Agriculture • Cranes • Trucks • Trailers

The Service Business

Summer 2021

Providing skilled and highly trained technicians to repair, rebuild and maintain capital equipment is our mission. We must do this with a high degree of consistency and predictability relative to a schedule and price. To do so with a high level of labor efficiency and high levels of quality, the twin pillars of a successful service business is fundamental to our mission.



Quotations for Service Work

Every customer has several things in common. Most people who buy things want to know the price before they place an order. Similarly, most people want to know when they can have it if they place an order. In most Service Departments we fail both of these tests. The quotations that we provide, if and when we provide them, are rarely the same as the invoice and the completion date that we give to the customer is hardly ever achieved.

If we were to measure the success of the Service Department in satisfying their customers from these two elements, the results would be absolutely terrible. This is one of the reasons why our market share in labor is as low as it is. Customers want consistency, customers want reliability, customers want quality, and customers want a fair price.

To satisfy the price being fair and accurate, the Service Department must create a quotation for all the work that it is going to do. We have no hope of providing a quotation of work to be done unless we do a diagnostic inspection. Normally, if the dealership does not do a

diagnostic inspection, the service management will still provide a price. They will hedge around, think about it, and provide the customer with an estimate. The customer has come to understand that this estimate is not accurate nor necessarily reflective of the cost of the work to be performed. How does this service department, this dealership, present prices to customers of work to be done without the diagnostic inspection?

With the diagnostic inspection and using job segmentation with standard job codes, quotations and pricing become very simple things. It is a lookup just as it is trying to find out availability and price of a part.

Do you provide quotations? Are the quotations fixed? What is the variation of actual price to quoted price? How is this handled within the dealer business system? These are important questions that need to be answered through the performance of a review of your service business.

Many Dealer Management Systems (DMS) allow a dealer to access a manufacturers' information on standard times that are used to reimburse the dealers for warranty work. There has long been disagreement as to whether the time provided is adequate. That having been said it is also true that someone is trying to help a dealer in establishing standard times for repairs.

So, what if the time is inadequate, or in some cases it might be too generous. That just means you need to do a little more work. Meet with your technicians and determine the factor to apply to the time in order that the work can be performed within the time and allow you to develop a labor schedule to follow. Well, this is where the DMS has to allow the dealers to apply factors to the times provided with the supplier interface and create dealer time files. Does your DMS allow this? Don't you think it should? When you have reasonable times to apply to a job assigned to a technician you can build a schedule. With a schedule you can develop a completion date for all work. With a completion date that you can meet consistently you will get more business. Isn't that what you want?

I suspect you should pose this question to your DMS provider. Can you take the standard times provided for warranty and apply a factor by component code, or operation, or a machine group or even machine model? If you can't, I submit to you that it is important to be able to do this simple thing.

Class References

[Work Order Process](#) | [Labor Efficiency](#)
[Shop Floor Scheduling](#)

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As a third-generation educator, it is easy to say that teaching and training are in the blood for Ron Slee. From his beginnings as a coach, through his time at McGill University, Ron developed a foundation for the work he does today.

Learning Without Scars provides comprehensive online learning programs for employees starting with an individualized skills assessment. These assessments allow us to then create a personalized employee development program. From their assessed skills, the employee is asked to select from classes designed for their skill level which allow them to address the gaps in their knowledge level. This allows the employees to move through four progressive categories of learning: Basic, Intermediate, Advanced and Expert.



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Your opinion is important to us! We are always looking to help people through engaging material. If you have a question or a specific topic you would like us to cover in a future newsletter, please email Ron ron@learningwithoutscars.com

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