

Learning Without Scars

Quarterly Newsletter

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

The Service Business

Summer 2022

Confessions of a Service Manager by Bill Pyles



After being discharged from the United States Marine Corps, Bill started a lifelong career in heavy equipment dealer product support.

Starting as an apprentice technician, Bill worked his way up to be the General Service Manager for a multi-state Caterpillar dealer.

Bill continued to serve in similar roles as General Manager of Product Support to VP of Service for multistate OEM dealers. Coming up through the product support ranks gave Bill an invaluable education of customer relations, dealer product support and an understanding of the dealers most valuable resource, the product support team.

After 47 years of service, Bill has retired, living in Florida with his wife Diana and golden retriever, Shelby. Bill & Diana spend their time with their two sons and five grandchildren.

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.

I've been working in Product Support most of my life. Most of those 30 years have been primarily focused on service department product support. I spent time as a shop mechanic, field mechanic, shop foreman and service manager. I learned a lot during those years. Here are a few enlightenments:

- How to move labor and material around on a work order to make the times look good.
- How to avoid any lost time by charging time to sales, rentals, and used equipment.
- How to handle warranties by sending a less-than-qualified mechanic because "it's warranty" and it would be "good" training; and what the heck, the manufacturer is paying for it.
- That if the boss's hot button was "reduce training" or "reduce expenses," you simply moved that time to building maintenance or repair of shop tools. If expenses were high, you shifted them to cost of sales.
- The importance of taking care of my customers first by letting the sales and rental departments wait and wait and wait.
- That a two-week backlog was good: hey, three weeks was better. Keeping this backlog ensured I would make my numbers for the month. The customer would wait.
- That you never sent work to another branch or even asked if another shop was slow.
- That if I had a big job, I never called another store for help to take care of other jobs. Remember the "backlog."
- There was never enough time in the day, so when vendors delivered oxygen and acetylene bottles, bolts, nuts, shop supplies there was no need to check the delivery before signing the delivery ticket. Nothing ever "falls off the back of the truck."
- Sales, rental or used equipment never received any warranty on shop or field repairs. Remember the "budget."
- How to sandbag monthly sales. If we meet budget this month, hold off any more billing until next month. I have a budget to make then, too.
- Never to call a customer for additional work a machine needed while the machine was down in our shop. He'd yell at me if I suggested additional work needed to be done. It was always easier to say nothing and if the machine failed after it left the shop, he'd call me.
- If a machine was coming in for a final drive repair, I'd order ever nut, bolt and gear and air freight them in. I might need them and if I don't, the parts department will just put them back on the shelf. No big deal.

During those times, life was good. My numbers looked good. I had a backlog and the boss was off my back. Nailing it!

Then I became a General Service Manager.

When I became a General Service Manager, I was included in management meetings that I never knew existed. I discovered there were other departments challenged to be efficient and profitable – just like me – and unless all departments worked together, it would not happen.

Did you know that Learning Without Scars is a fully accredited provider of continuing education through the International Accreditors of Continuing Education and Training (IACET)? This accreditation sets us apart in our field as we are the first and only education provider in our industry to hold outside accreditation. All students will receive CEUs when they take a course through Learning Without Scars.



It took a little while but I began to realize why the sales manager was not always so willing to let me have a loaner for a service job I screwed up. Those labor hours I was writing off to sales, rental and used were actually showing up on his P&L!

Those new, used and rental machines were expensive assets that I kept putting to the back of the schedule so I could take care of my customers. I didn't know the company was missing opportunities and thousands of dollars because we had no machines to rent or sell.

- ✓ I learned warranty training was expensive. Those dollars actually came back in the form of warranty expense. You mean the manufacturer didn't pay for 10 hours of labor to replace a fuel filter?
- ✓ I discovered the time I invested swapping labor and material around did nothing for the actual bottom line. What? I spent hours doing that!
- ✓ I learned a backlog was good, but a satisfied customer was better. I'd visit customers and ask why he sent a machine to another company. Usually the answer was "Bill, you guys do good work, and I don't mind even paying a little more

for good work, but I can't wait three or four weeks every time my machine goes into the shop" otherwise known as the black hole.

- ✓ I learned to work the overtime when required. I learned to ask other shops for help and sometimes I even suggested the customer send the machine to another branch that could get him in and out the quickest. Sometimes I even offered to pay the additional hauling to get him there!
- ✓ I learned things do "fall off the back of a truck." Have you ever been offered a deal too good to be true? Hey, it fell off the back of a truck. I went through an audit after the company decided to change oxygen and acetylene vendors. The current vendor came in and did an audit on all the bottles we rented over the years. We could not come up with \$6,500 worth of rented bottles. They must be lying all over America's highways.
- ✓ I learned if I didn't contact a customer for needed additional work, the machine would leave the shop ("Hey, I did what he asked!") and would fail soon after – on the job site. The first thing I'd hear would be, "It just left your %#@*&% SHOP!" – and I should have called him and fixed it then.
- ✓ I learned that the boatload of parts I ordered for the final drive repair and returned to parts created a lot of expense. No one told me there were shipping and emergency charges, and we didn't stock the part because there was no demand. I learned those expenses were showing up on the parts manager's P&L.
- ✓ I found out someone had to take the time to do the parts entry, place the order, receive it into inventory, carry it to the shop, pick it up after I returned it and create another return ticket. They they'd create a location in the warehouse (remember, we did not stock it), and let it sit until the next authorized parts return when the company might get 50 cents on the dollar! Wow, no wonder when I asked for help on a disputed service invoice, I'd get a cold stare from the parts manager.



The Old and the New

My point (yes, there is a point to all of this) is there are two types of service management – the old and the new. The old type will not survive at today's distributorship. Managers who think like that are being replaced with managers who are concerned with the entire company's health, not just the service department.

The new service managers are discovering that working together – sales, parts and service – makes a much more enjoyable job. Time spent hiding expenses rather than addressing the issue is a complete waste of time. The real cause of the expense is never removed or identified, and swapping time becomes routine and a drain on your time.

Direct and constructive communication with other department managers is the key to making our company successful, profitable, and raising customer satisfaction. Believe it or not, it starts with the service department!

Class References

[Service Organization](#) | [Work Order Process](#)
[Time Management](#)

Learning Without Scars



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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