

# Learning Without Scars Quarterly Newsletter

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TRAINING SOLUTIONS FOR EQUIPMENT DEALERSHIPS  
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The Service Business

Fall 2022

## Ideas For Staffing Your Service Department 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.

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One of my recent blogs was titled "Staffing Guidelines", where I shared some ideas regarding the ramp-up regarding service department personnel. If you're a smaller location with five technicians, your staffing needs will be completely different from a twenty-technician crew with a two-shift operation. We need to continuously balance cost with productivity and customer satisfaction.

### Time Is Money

The old cliché is still true, the service department's time is probably the most expensive in the entire organization. Having one tech chase parts or tooling can cost you over \$1,000 a day in revenue that's lost and cannot be recovered. Sending your field tech up to the parts counter to see if the back-ordered parts have come in is non-productive time; lost forever.

In larger shops having your field dispatcher or shop supervisor look up product updates, researching why the customer's account is locked out, warranty coverage, or parts availability can seriously detract from what's important, the supervision of the many work orders in process. Staffing the service department, if done correctly, will ensure you have productive techs and supervision with a focus on getting machines repaired efficiently and on time. And you'll have fewer turnovers with losing stressed-out employees.

Here are some ideas regarding support staff or as I called it a service support-to-technician ratio. Service Support is defined as a Service Manager, Shop Supervisor, Service Admin, Service Writer, and any employee charged to the service department as 100% expense/nonrevenue generating. I do include a Shop Lead as a large portion of his/her time could be helping others and you cannot always charge out 100% of the Lead's time. Before we get into the suggested ratios, let us define for clarity some of the functions of service department employees who are 100% charged to the service department and do not typically generate revenue. My intent is not to write job descriptions, but rather to list a few of the items these employees normally do.

### Service Manager

They manage the entire service department operation. The service manager is responsible for annual forecasts and budgets, technical training is completed by the techs, and overseeing customer quotes (someone else may be producing the customer quotes). The service manager is responsible for a safe, productive, and profitable service department with high service department employee morale.



## Field Supervisor

The Field Supervisor is responsible for the daily operation of field service. All field techs will directly report to the Field Supervisor. The Field Supervisor will be responsible for dispatching field techs and updating customers daily on the progress of their work orders. The Field Supervisor will ensure that the field service vehicles are in safe operating condition and correctly up-fitted to do the job at hand (welder, crane, lube skid, etc.).

## Shop Supervisor/Foreman

The Shop Supervisor is responsible for the daily operation of the service department. The supervisor assigns the work to the technicians, keeps the customer advised of the repair progress, and contacts vendors for outside labor and or material. The Supervisor Shop conducts a morning meeting with all the shop techs to review safety issues, tooling, and work order issues. Every technician in the shop should leave the meeting with a good understanding of today's business.

*At Learning Without Scars, we understand the importance of being inclusive and offering education opportunities to everyone, especially those with a hearing impairment.*

*We are now in the process of updating the video segments of our online Service classes to include Closed Captioning. We will continue this process with Parts and Sales & Marketing in the coming months.*

**Shop Lead** (Should generate a minimum of 65% revenue or more if their labor is properly charged out)

The Shop Lead is usually one of your senior techs and a person the other techs look up to. This person is also a coach/mentor for your entry-level techs. The Shop Lead will have a work order assigned to him or her each day and will assist other techs when required. Minor issues (can't find the correct tooling, questions with the job, needing help to pin a bucket, etc.) can be handled by the Shop Lead. If the problem cannot be resolved with the Shop Lead, the Shop Lead will be the person to speak to the Shop Supervisor.

## Service Admin

The Service Administrator is responsible for opening work orders, creating purchase orders, verifying technicians' labor time, customer contact, and customer follow-up. The service admin can be the liaison between service and accounting if there is an issue with the customer's account.

## Technical Communicator

The Technical Communicator is the direct liaison with the service techs and the OEM. You will see an increase in OEM response time when only the Technical Communicator is the company's single point of contact. Your issues will be consistently formatted with the required information. When all techs are allowed access to the OEM, you'll see some technician issues that would be hard to diagnose and slows down the process. For example, I had the OEM technical services person send me a recent issue sent in by one of our techs; "The machine is overheating, and the customer is upset." This caused a delay in the communications for solving the machine's problem until specific details were gathered. If you do allow your techs direct communication (and many companies do if they do not have a Technical Communicator on staff) with the OEM, be sure they have a form with the specific items required when making the initial call to the OEM technical center.

## Parts Expeditor / Tool Inventory

The Parts Expeditor is the "back counter parts person" who is a service department employee. He or she will source all parts needed by the service department, track back orders, and have field tech parts ready to go early in the morning. The Parts Expeditor can deliver parts to the bays, and be the liaison with parts if there are issues with the parts supply chain. A parts expeditor can reduce freight costs, organize reman core returns, reduce the return of non-stock parts and help keep the techs in the repair bays. I'd also suggest all service department tooling be put into the parts inventory system with locations and stored in Vidmar's and on shelves the same as smaller and larger parts. When a tech needs parts and the tooling to replace injectors, the Parts Expeditor puts in the parts order and the tooling order and pulls both for the tech. When the job is completed, the tech returns the tooling, and they are back in inventory for the next job. You will see measurable improvement in lost or broken tooling; gain efficiency by eliminating a tech "digging" thru the tooling to find the right tool. You

will see measurable improvement within your parts and service department.

### Rolling It Out

I've learned a "cookie cutter" approach to managing service departments does not always work.

The larger the branch location, usually the higher administrative headcount. Technology plays a big role, if there are different business systems, the location has or does not have laptops for the techs in the bays, or printer availability (someone must walk "up front" to get something off the printer).

I've seen impressive service departments with large screen TVs showing current work orders and status, the status of field calls, GPS showing where the service trucks are currently, and headsets for the Service Admin and Field Supervisor. A keyboard or a laptop at every workstation so that key information can be pulled up while the customer is on the phone. Star Wars technology is being utilized.

But many smaller service departments still operate without all the current technology, this service support to tech ratio can help you get there. But do this first, take your current labor rate and times it by 2,080. If your current rate is \$135 the figure you should have \$280,800 in service revenue. This is what one tech generates in revenues per year without overtime! If your revenue recovery is at 85% your tech per year revenue is \$238,680. Big dollars need outstanding techs with outstanding support staff to make it happen.

I suggest a starting ratio of one (service manager or shop foreman) service support position for the first four to five technicians. Designate one of the 5 techs as the Shop Lead. At five techs, one person will be stretched to perform all the service department admin functions, i.e., quotes, labor entry, work order maintenance, customer calls, and closing work orders.

Once a sixth tech is hired or recruited, we can consider a third support person in addition to the SM or shop foreman and Shop Lead. Three service support positions should be able to manage an additional 4 techs up to a total of 10. One of the 10 techs would be designated as a Shop Lead in the shop to handle smaller tech questions or issues with their repair.

When an 11th tech is required, consider a fourth service support position. This will cover the admin ratio of up to 14 to 15 techs. If four or more of the techs are field techs, it's time to bring in a Field Supervisor.

At face value, this ratio may look a bit on the high side. But I'd disagree, especially if your service support employees are doing all the functions required to keep a service department running smoothly and not burning out the service manager or shop supervisor. Customers, especially field jobs, need to be updated regularly. My policy was to call the customer daily unless there was no change from the day before, then it was every other day. I'd suggest getting out a pencil or your laptop and creating a list of administrative activities being performed daily and those activities that sometimes get overlooked. And don't forget to add following up with the customer after the work has been completed to ensure 100% customer satisfaction, after all, these customers are the ones who can keep your shops working!

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.

Class References

- [Service Organization](#)
- [Leadership](#)
- [Delivery Systems](#)

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Do You Know The Answer?

What heavy lifting specialist company built the largest crane in the world known as "Big Carl"?



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receive CEUs when they take a course through Learning Without Scars.

Educational Resources

All of the resources listed below can be found on our website : [www.LearningWithoutScars.com](http://www.LearningWithoutScars.com) under the Resources menu.



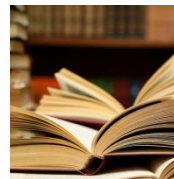
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We created a list of recommended books that have come across our table and that we thought you would enjoy reading. They are sorted by category and cover a wide range of topics to enhance your knowledge.



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