Analyzing KPI’s in the Service Department

The service department “should” be the most profitable department within a company...but it’s usually not! The number one reason is importer labor pricing and the second is poor management. During this session we will explore the management side of the three areas of the service department (demand service, maintenance agreements and ProfitSmart activities)

As we explore each area we will look at specific KPI’s (Key Performance Indicators) that need to be tracked and will review the affects of getting each KPI under control. We will also review a timesheet that captures all the information needed to track each area.

“Measuring a techs performance against specific KPI’s is critical for the overall profitability of your service department!”

Tom Grandy, president

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Check Out the Conference Special on the Last Page of This Handout!
The Conference Special includes five (5) of Grandy & Associates most popular business building tools (including our industry acclaimed Labor Pricing software) at a 50% discount!
Welcome

Thanks for attending the following program

“Analyzing the KPI's in the Service Department”

This may just possibly be the most profitable program you will ever attend!

Tom Grandy, president

The solution to excellence in your service department

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Service Profitability

Common Misconception in the Industry
“We must be making money in service since our hourly rate is 2-3 times what we charge in other departments!”

Service should be the most profitable part of your business…but it usually isn’t. Why?
• Improperly priced
• Improperly managed

Today’s session is a quick summary of our full day seminar/workshop entitled “Service Manager’s University”

The solution to excellence in your service department

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Why Is Service Under Priced?

Cost of running a service department is huge - compared to other areas:
• Cost of non-billable time (50%)
• Support staff is expensive (Service manager and/or Dispatcher
• Replacement cost of service vehicles is high
• Fuel and maintenance
• General overhead to run service is high
• Limited number of billed hours to spread cost over

When the “real” numbers are run it is the rare service department that can charge less than $100/hour and still make a profit!

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Management Problems

Management is also a huge problem because….
- Huge number of variables
- There has never been (until today) Key Performance Indicators (KPI’s) to measure against
- No “system” has been available for tracking performance and rewarding technicians productivity

What Will We Cover Today?

Demand Service:
- The affects of setting specific goals
- Reasons for poor performance
- Setting proper hourly rates
- Affect of “Up Front” pricing
- Three Key Performance Indicators (KPI’s)
- Look at a timesheet that will capture needed information

What Will We Cover Today?

Maintenance:
- Value of a Maintenance Agreement program
- The issue of “properly pricing” agreements
- Link between M/A and “Up Front” pricing
- Filling slow times (90 days per year)
- How to create the tech/dispatcher “Team” for selling maintenance agreements
- Two (2) KPI’s to track
What Will We Cover Today?

**ProfitSmart Activities:**
- Talk about how to break through stagnant growth
- Look at industry closing rates based on differing lead sources (service lead, advertising lead, etc.)
- Benefits of marketing (not selling) through your service techs
- Why we don’t want techs selling replacement work
- How “Qualified Sales Leads” can make retrofit sales skyrocket
- KPI’s to track

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Who Is “Really” Running Your Service Department?

**Who is currently setting the standards for your service department?**

It’s usually your most seasoned service tech!

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What Happens When Goals Are Set?

**What are the benefits of setting specific goals?**

- Everyone on the team has something to work towards
- The goal provides a benchmark to measure your progress against
- Best of all...once given a specific goal most individuals tend to meet, or exceed, the goal (Linda)
Techs Reaction To Goals

When specific goals are set, what will your technicians reaction be?:

• Those doing a poor job will become defensive
• Those doing an outstanding job will welcome with open arms (good techs want to be measured and they want you to know they are doing a good job - they also want to be rewarded for doing a good job)

Reasons For Poor Performance

M or T or M/T – What do you think?

1) Hourly labor rate set incorrectly/too low.
2) Fear of charging what you need to charge because someone under-price you.
3) Technician under-billing.
4) Inefficiency, causing the need for too many service technicians for the amount of service work.
5) Too many trips to the distributor, or shop, for parts.
6) Poor first-time call completion percentage.

7) Poor travel efficiency.
8) Unnecessary call backs.
9) Too many call backs.
10) Unclear performance expectation.
11) Unapplied time (time not charged to any job).
12) Too much manager applied time (allowing the service tech to do something other than service).
13) Poor dispatching.
Reasons For Poor Performance

M or T or M/T - What do you think?

16) Keeping under performing technicians and/or techs with poor attitudes...even when you and everyone else knows they should go.

17) High turn-over - The best people will work for the best companies with the best leadership.

18) Wage increases for the technicians outpacing street rate increases.

Conclusion!

A huge portion of the burden for under-performing service departments rests on managements shoulders.

The solution to excellence in your service department

Priced For Profit?

If your labor rate for service is not properly set, from a cash flow perspective, than you will NEVER be profitable in service!

Cash Flow vs. Accounting:

Equipment replacement vs. depreciation

Full amount of loan payment

Two most expensive costs of doing business:

#1 - Cost of non-billable time

#2 - Equipment replacement costs

General Rule Of Thumb

General Rule of Thumb: Labor to Sales

To be profitable in service the total cost of labor (direct cost plus direct overhead) cannot exceed 25% of gross income!

Example:

• Cost of labor plus direct overhead for that labor is $8,235 for the month

• Service income = $35,333

Percent of labor to sales = $8,235 / $35,333

23.3% (good)

The solution to excellence in your service department
Setting Your Hourly Rate

Rough way to calculate your needed hourly rate

Example:
- Fully loaded hourly pay for your top tech: $25.83
- Percent of time on revenue generating activities (with vacation, holiday and sick days ignored): 75%
- Divide the fully loaded hourly pay by this percentage to establish your "Production Pay": $34.44
- Divide "Production Pay" by the labor to sales target (25% for Demand Service): 25%
- Your necessary minimum hourly service rate: $137.76

Is Your Service Rate Over $100/hour?

To Determine Accurate Labor Pricing:
- Labor Pricing software: $399.95 (part of Conference Special at 50% discount)
- Attend our three-day "Basic Business Boot Camp"

Question?
What are you going to do (if you are on time and material) and you find out your service rate needs to be $138/hour?

Demand Service – KPI #1

Average Revenue Per Billable Hour

The average service tech costs the company over $10,000 a year by under billing for work that was actually performed!

How Could Your Tech Under Bill (unintentionally)?
- Time & Material Under Billing
- Flat Rate Pricing Under Billing (other industries)

The average tech under bills anywhere from $10 to $30 per hour!
### Average Revenue Per Billable Hour

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hourly rate</td>
<td>$75.00</td>
</tr>
<tr>
<td>+ Parts cost</td>
<td>$21.00</td>
</tr>
<tr>
<td>+ Parts x markup ($21x100%)</td>
<td>$21.00</td>
</tr>
<tr>
<td>+ Trip Charge or</td>
<td>n/a</td>
</tr>
<tr>
<td>+ Diagnostic Fee x .33 ($49 x .33)</td>
<td>$16.17</td>
</tr>
</tbody>
</table>

**Equivalent Charge Out Rate = $133.17**

**Budgeted gross sales per tech...service repair (No maintenance):**

- $133.17 x 1000 billed hours per year or **$133,170/year**

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### Calculate Your Company's Cost of Under Billing

Now go back and take a specific period of time (day, week, month, etc.) and determine what your “Real” average revenue per billable hour is:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Actual” Service Department’s ECOR:</td>
<td></td>
</tr>
<tr>
<td>(two techs for a week)</td>
<td></td>
</tr>
<tr>
<td>= Gross Sales / Billed Hours</td>
<td></td>
</tr>
<tr>
<td>= $4,108.94 / 38 billed hours</td>
<td></td>
</tr>
<tr>
<td>= $108.13/ hour</td>
<td></td>
</tr>
</tbody>
</table>

---

### Cost of Under Billing:

- \(("ECOR" - "Actual ECOR") \times \text{Billed Hours}\)
- \((133.17 - 108.13) \times 1,000 \text{ Billed Hours}\)
- $25,040 / year (one tech)

**A significant amount of under billing dollars can be saved in company!**
### Real Numbers From A “Real” Company

**Average Revenue Per Hour**

(while billing service)

<table>
<thead>
<tr>
<th>Goal</th>
<th>Bruce</th>
<th>Bryant</th>
<th>Rob</th>
<th>Shawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>$130.29</td>
<td>$130.83</td>
<td>$80.56</td>
<td>$100.12</td>
<td>$123.50</td>
</tr>
</tbody>
</table>

What will it cost the company for the year (figure 1000 billed hours per year) if Bryant continues to under bill --

$52,270

If one of the four techs needs to be transferred to install or new construction for half a day, who should be transferred ————Bryant

How much revenue would have been lost for the day (assume four billable hours) if Bruce had been transferred instead of Bryant? ————$199.88

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If all four (4) techs were to bill “properly” for the year it would have generated the following amount of additional income ————$87,230

Does it make sense to track your techs “actual” revenue generated per billable hour against what “should” be generated per hour?

You bet it does!

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### Demand Service – KPI #2

**First Time Completion Percentage**

If the tech is properly trained, their vehicle is properly stocked and the required manpower is sent, 95 out of 100 calls should be completed…the first time!

What Is It Costing The Company When the Job is Not Competed the First Time?:

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Demand Service - KPI #3
First Time Completion Percentage

What Does It Cost the Company When the Job Is Not Completed the first time?:

- That specific job is usually unprofitable
- Lost travel time and additional work time "could" have been spent doing another repair somewhere else (lost income)
- Office inefficiencies - Rescheduling customers
- Customer dissatisfaction!

Why Was The Job Not Completed The First Time?

If the job was not competed the first time, we need to know why (so we can correct it):

- Lack of parts (what is that telling us?)
- Lack of technical expertise (what is that telling us?)
- Lack of manpower (what is that telling us?)
- Customer "no show" (what is that telling us?)

Real Numbers From A “Real” Company

First Time Completion Percentage

<table>
<thead>
<tr>
<th></th>
<th>Bruce</th>
<th>Bryant</th>
<th>Rob</th>
<th>Shawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td>71.70%</td>
<td>83.02%</td>
<td>86.79%</td>
<td>78.79%</td>
</tr>
</tbody>
</table>

The number of calls they did not complete the first time need to be recorded, for example (number of calls):

<table>
<thead>
<tr>
<th></th>
<th>Bruce</th>
<th>Bryant</th>
<th>Rob</th>
<th>Shawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of Parts</td>
<td>12</td>
<td>10</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Lack Technical Expertise</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lack Manpower</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Customer “No Show”</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Demand Service – KPI #3

Callback Percentage

Because of mass production roughly 2% of all parts produced will fail?

If the callback percentage for a technician exceeds 2.75% is it a part failure problem, or a installation problem?

What is the cost of a callback to the company?:

- Technicians travel time, and on the job time, was paid by the company and generated “zero” income
- Tech time spent on the callback could have been spent on another service call...Lost income!
- Dispatcher frustration – Schedule had to be rearranged
- Customer dissatisfaction (possible lost customer)

Real Numbers From A “Real” Company

<table>
<thead>
<tr>
<th>Callback Percentage</th>
<th>Bruce</th>
<th>Bryant</th>
<th>Rob</th>
<th>Shawn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong> &lt;2.75%</td>
<td>6.15%</td>
<td>5.26%</td>
<td>10.29%</td>
<td>2.22%</td>
</tr>
</tbody>
</table>

Which tech has a major problem with callbacks?  
- Rob

How do we solve Rob’s callback problem?  
- Training

Which tech has an acceptable callback percentage?  
- Shawn

If we tracked the “cause” of the callback what might it tell us?  
- Source (and possible solution)
The timesheet I will be showing you is the one that was developed for the ProfitMaxx software:

- It has been through 52 revisions and allows all 24 KPI’s to be tracked properly
- Use this timesheet as a guide to develop one that tracks what you want tracked
Were you involved in a work related accident today and did you inform your manager immediately?

- Yes
- No
Maintenance Agreements

Maintenance Agreements are literally the foundation stone for profitable growth in the 21st century!

Maintenance Agreements:
- Ties the customer into your company for life, and they are...
- The feeder system for most everything else you do

Why Would YOU Want To Start A Maintenance Agreement Department?

1. Consistent cash flow
2. Work is pre-scheduled (reducing non-billable time)
3. Nearly guarantees service work during the year
4. Eventual equipment replacement work
5. Improved job security
6. Happier customers
7. If tech learns to sell M/A they can sell other things as well
8. Ability to increase the size of your customer base
9. Increase the selling price of the company ($400/agreement)

Why Would YOU Want To Start A M/A Department? (Continued)

To be able to sell a company requires two things:
- Must run without you
- Must have significant monthly guaranteed income

“Potential buyers want to purchase companies that are systematized and have nearly guaranteed monthly income.”
The maintenance enterprise within your service department means the difference in overall service net profit or overall service net loss.

When your service technicians are not billing out on demand service calls, they need to be performing profitable maintenance.

How Most Companies View Maintenance

Many Companies view maintenance as a:
• Lost leader to get into the door to “look for profitable work.”
• Way to create a “new” customers that will eventually produce profitable work.

Both of the above are true, but if it is done at a loss of net profit, a company is digging themselves into a negative profit service hole which cannot be overcome by demand service.

Maintenance Discounts / Flat Rate Pricing Book

The service rate we developed earlier “assumes” all your work (demand service and maintenance) will be sold at the same rate.

If you discount your maintenance hourly rate, what must happen to your demand service rate?
### What Happens When You Discount Maintenance 15%?

<table>
<thead>
<tr>
<th>Description</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>$207,000</td>
</tr>
<tr>
<td>Maintenance income</td>
<td>$58,650</td>
</tr>
<tr>
<td>To maintain profitability</td>
<td>$148.35</td>
</tr>
</tbody>
</table>

Failure to increase the demand service rate in this case would create a loss of $10,350 dollars or 5% of overall net profit.

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### Maintenance Agreements Discounted Pricing

**You must understand the math behind discounted maintenance agreement pricing**

**History:**
- Pricing in the retail clothing industry
- Grocery Industry (Kroger Card)

When set maintenance agreement pricing:

1. Your repair pricing will be based on $100/hour, and
2. Your maintenance agreement pricing will be priced at $85/hour

*Now if you do a great job and get all your customers on your maintenance agreement program what will happened to your 15% net profit?*
**Maintenance Agreement Discounted Pricing**

**Solution:**

1. **Memo to self:** Do math before setting maintenance agreement discounted pricing.
2. Your maintenance agreement customers pricing will be based on $100/hour.

**Solution:**

1. Repair pricing: Divide your $100/hour by .85 making the rate you use for repair pricing become $117.65 ($100/.85).
2. Your maintenance agreement customers pricing will be based on $100/hour.

2. **Memo to self:** Do math before setting maintenance agreement discounted pricing.

**Maintenance Agreements During Slow Periods!**

**Maintenance Agreements Are What Fills in the Slow Times:**

- There are normally 90 slow days a year, and since...
- Most techs bill out roughly 50% of their time that means....
- Each tech needs to fill 360 hours per year with maintenance agreement work (90 days x 8 hours a day x 50% billable).
- If your maintenance agreement requires 1.5 hours of wrench time per year that means that each tech will need **240** maintenance agreements to fill their slow time! (360 hours/1.5 hours = 240 agreements)

**You need to determine how many maintenance agreements your company needs to fill in the slow times for your service techs?**

**Maintenance Agreements - Tech Goals**

**Remember what happens when we set specific goals?**

**Track each techs maintenance sales:**

- Sales this month
- Total sold

**Goals:**

- Total M/A needed = 720
- Individual tech goal = 240

**Name | Goal | Sold**
---|---|---
Bill Cook | 240 | 127
Sam White | 240 | 87
Tom Maple | 240 | 265
**Total Sales = 479**
Commissions

Pay Commissions to Seller of Maintenance Agreement and Build the Cost into the Pricing

- Pay commissions of $5.00 to $20.00
- Visa - $12.00 commission
- Before paying commissions require something
- Make a big deal out of paying commissions (not part of check)

Create A Team

Create a Technician/Dispatcher “Team”

Dispatcher/Customer Service Rep

“Thank you for calling ABC Company. By the way, do you pay full price or are you one of discount customers?
“How do I become a discount customer?”
“We have an annual maintenance agreement that…….”

Technician

When the sale is made the commission is split!

It’s a win-win for the customer, the dispatcher, the technician and the company!
Maintenance – KPI #4

Average Repair Revenue Per Hour While Doing Maintenance

On a maintenance call the technician should be:
• Educating and informing the customer of eminent part failures.
• Educating the customer on accessories which will save them money

When the technician is performing a maintenance agreement they should be creating an additional $40/hour in revenue.

The KPI for additional sales is $40.00/hour

Real Numbers From A “Real” Company

Average Repair Revenue Per Hour While Doing Maintenance

<table>
<thead>
<tr>
<th></th>
<th>Bruce</th>
<th>Bryant</th>
<th>Rob</th>
<th>Shawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>$40/hr</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$43.27</td>
<td>$40.63</td>
<td>$13.30</td>
<td>$39.69</td>
</tr>
</tbody>
</table>

Which tech is obviously not hitting the goal?  ------------------------------  Rob  
What would be the first thing you will want to check on?  ------------------  How long is taking to do the M/A  
What is a good follow up tracking system for Rob?  ----------------------  Track data for week and meet again

Maintenance – KPI #5

Maintenance Agreement Efficiency

The average tech exceeds the allotted time to perform a maintenance agreement costing the company thousands of dollars a year!

We have “taught”our techs that doing maintenance agreements means things are slow:
• 500 Maintenance Agreements
• Extra 10 minutes on each one
• 83 hours a year at an $138.00/hour

Cost to the company is over $11,000+/year
Real Numbers From A “Real” Company

Maintenance Agreement Efficiency
(Was the maintenance completed within the allotted time?)

<table>
<thead>
<tr>
<th>Goal=Allotted time (45 minutes)</th>
<th>Bruce</th>
<th>Bryant</th>
<th>Rob</th>
<th>Shawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>58</td>
<td>56</td>
<td>42</td>
<td>40</td>
</tr>
</tbody>
</table>

What have we found out about Rob? -------

Bruce and Bryant both exceeded their times. Is that a problem? ---------------

Shawn is going faster than desired also. Is this a problem for Shawn? ----------

The solution to excellence in your service department

ProfitSmart
Activities

ProfitSmart Activity
ProfitSmart activity includes:

- Generation of a Qualified Sales Leads
- New maintenance agreements sold and renewed

Your techs are surrounded by opportunity (1200 calls a year)
Weekly meeting - teach techs how to take advantage of opportunities

Fast Food: Would you like....
Arrested Growth!

Many companies’ growth is arrested. Year after year they grow only modestly, or not at all, and when you factor in inflation and manufacturer and distributor price increases, many companies actually shrink each year.

The only way to grow dynamically is through your service department. Your service technicians see more customers face-to-face each day, month and year (1200 per year per technician) than anyone else in your company.

Having the primary marketing plan for your business is designed around your service department it will produce true market domination.

Close Ratios By Lead Source

Average Selling Price By Lead Source
The solution to excellence in your service department

SMART Marketing – Percent Of All Retrofit Sales By Lead Source

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Percent of All Retrofit Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Dept.</td>
<td>48%</td>
</tr>
<tr>
<td>Advertising</td>
<td>28%</td>
</tr>
<tr>
<td>Sales Programs</td>
<td>12%</td>
</tr>
<tr>
<td>Company</td>
<td>11%</td>
</tr>
</tbody>
</table>

SMART Marketing – Percent Of All Retrofit Sales Dollars By Lead Source

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Percent of All Retrofit Sales Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Dept.</td>
<td>55%</td>
</tr>
<tr>
<td>Advertising</td>
<td>13%</td>
</tr>
<tr>
<td>Company</td>
<td>11%</td>
</tr>
<tr>
<td>Sales Programs</td>
<td>21%</td>
</tr>
</tbody>
</table>

SMART Marketing – Percent Of Advertising Dollars Vs. Retro Sales Revenue

<table>
<thead>
<tr>
<th>Lead Source</th>
<th>Percent of Advertising Dollars Vs. Retro Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Programs</td>
<td>12%</td>
</tr>
<tr>
<td>Service Dept.</td>
<td>6%</td>
</tr>
<tr>
<td>Advertising</td>
<td>79%</td>
</tr>
</tbody>
</table>

Leads generated by your service tech have:
- 2nd highest close ratio
- Highest average sale
- Generates as many leads as any other source
- Creates the highest percentage of sales
- And more sales dollars than all other sources – combined!

Based on the SMART Marketing figures to the left, where do you suppose the company should invest a significant number of dollars?

It’s a No Brainer! Spend Company Dollars on...
- Education and training of the Career Technician.
Smart Marketing And Retention Through Technicians (SMART)

SMART Marketing Makes Sense:
• Centered on and through your service departments
• More effective and affordable than traditional advertising
• You can quickly (daily, if you wish) change the message
• More focused and precise with your offerings (flyers to hand customer)
• Delivered by a very trusted source, your techs!

Why Don’t We Want The Service Tech Selling?
Replacement sales made directly through the service technician are always lower than a professional sales person.
• Technician sales will average 30%-50% less than a professional sales person.
• Technicians only have time to pick the low hanging fruit.
• Products are replaced based on name plate sizing, not load calculation. Over-sizing is both uncompetitive and a disservice to the customer.
• Service technician’s hourly pay is the same whether they make a sale or not.

Why Don’t We Want The Service Tech Selling?
• Sales people eat and pay their bills only if they make sales.
• Sales people have been trained and have more time to spend educating and informing the customer about accessories and additional add-ons.
• Having your service technician be your sales person’s biggest competitor creates enmity within your company.

The only time it makes sense to sell through your technicians is when you do not have a dedicated sales force.
Technicians Need To Open Their Eyes!

We don't want the tech selling but..... we do want him to open his eyes so he can create “Qualified Sales Leads”.

Qualified Sales Lead:
- Tech notes equipment is old
- Tech educates/informs customer about age equipment
- Tech asks if they would like to talk to someone from his company about possible replacement of the equipment
- If they say yes...tech calls office and puts customer on phone to set the appointment...while the tech is in the home

If appointment is set while tech is in the home...the customer shows up 97% of time
If tech calls the office on the way to the next job and office sets the appointment...the show up rate is only 67%

Qualified Sales Lead – Spiff!
- $20-$25 for creating the QSL
- Another $20-$25 if the sale is made!

That means the tech can earn $40.00 to $50.00 per call without selling!
(add the cost into your pricing)
The solution to excellence in your service department

**Maintenance - KPI #6**

**Generation of QSL - 12%**

Most service techs fail to inform the customer, and management, about old equipment that needs to be replaced!

Failing to inform company management and/or the sales team of possible equipment replacement is causing tens of thousands of dollars to be left on the table each year!

**Your Company's Cost of Lost Sales Leads**

The KPI (Key Performance Indicator) for “Qualified Sales Leads” is 12%

100 call/month x 12% = 12 QSL per month/tech

Additional Gross Sales per Year for one tech:

= 12 leads per month x 12 months x $3,700/sale x 50% closing rate

= $266,400 additional gross sales per year... **PER TECH**

**Real Numbers From A “Real” Company**

<table>
<thead>
<tr>
<th>Percent of QSL Generated (All calls)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bruce</td>
</tr>
<tr>
<td>Goal= 12%</td>
</tr>
<tr>
<td>4.6%</td>
</tr>
</tbody>
</table>

Which tech is exceeding the goal? **Shawn**

How can we help Bruce and Bryant hit the goal? **Script and Role Play**

Guess what the additional gross sales would be with the above techs if they all averaged 100 calls/month, hit 12%, the average sale is $4,000 and the close rate is 50%? **$1,152,000/ year**
Summary

Demand Service:
- Set goals for your service techs and measure performance
- Set profitable hourly rates
- Update flat rate books once a year (twice is better)
- KPI’s (Set and measure):
  a) Average “billable” revenue generated per hour
  b) First time completion percentage
  c) Callback percentage

Summary

Maintenance:
- Properly priced and performed maintenance agreement are the difference in the overall profitability of the service department
- There are 90 slow days per year that MUST be filled with maintenance agreement work
- Be sure your flat rate service rates and discounted maintenance agreements rates are correct
- Script and role play what to say when the customer calls for service (are you one of our discount customers?)
- Set KPI’s and measure

Summary

ProfitSmart Activities:
- Sales leads generated by the service department have the highest close ratios and the highest average sale price
- Define, script, train and role play Qualified Sales Leads with the techs….. then watch retrofit sales skyrocket!
- Track KPI’s for the ProfitSmart Activities

Would you like more information on how to run a very profitable service department?
The solution to excellence in your service department

Why Do We Need To Charge So Much?
This DVD presentation is designed to help technicians and company employees understand why the company must charge what it charges!

Company Policy Manual
The program includes:
CD – You will find a CD on the inside cover of the manual. The CD is in Microsoft Word. This will allow you to copy the manual onto your computer and make any changes, additions or deletions you wish. Bottom line – you can quickly customize the manual for your company's personal use.

Come Visit Our Booth
Software (totally re-written)! “Labor Pricing for a Profit with Cash Flow Projections” This user-friendly Windows software is the ideal tool for modeling your company for maximum profitability. Once modeled you will know what to charge in each department, you will have a month-by-month cash flow budget at your finger tips and you will have your monthly cash flow projections for the coming year! In addition to labor pricing and cash flow it also tells you what to charge for an annual maintenance agreement. When you are done, make as many copies as you wish and start the “what if” process of changing things to MAXIMIZE your profitability. Price includes full 100+ page Manual, Two detailed Tutorial CD’s and Lifetime Support is FREE! All for only $399.95 + $15.00 shipping

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One-On-One Company Overview
There is nothing more frustrating than working really, really hard and then not having anything to show for it! As a company grows it tends to do multiple things with the end result being one department is subsidizing another and no one know it…..until it’s too late.  Tom Grandy will come to your location and model you company on their industry acclaimed software program to find out what’s going on.  The end result will be a crystal clear Financial Business Plan that will ensure profitable growth.  A small investment today can create substantial profitable growth tomorrow!

We have an interest in having Tom Grandy come to our facility to perform a Company Overview.  Please contact us with additional information.

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