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The Combination for Success in Service

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**SEVEN Basic Service Processes:**
1. Appointment Setting - all starts here - make sure can meet expectations (Pre-writing) Capture customer list on an estimate. Make labor lines for each job so they can be scheduled ahead. Also makes estimate easy and gives the tech a target.
2. Reception - really understanding customers issues. Go to the coach. Use the Service Writer Toolkit.
3. Production Dispatch – Use of Work Order status is critical.
4. Quality Control - Did all the work get done as the customer requested?
5. Invoicing - meeting of minds with customer – no surprises.
6. Active Service Delivery - Schedule pick-up with enough time to review work - similar to orientation process in unit delivery. Time to be proud and show that confidence to the customer.
7. Follow-up - Can set your service department apart from all the rest?

**THREE things a good service writer does:**
1) (MAIN THING!) Understand customer concerns so they can be ACCURATELY conveyed to Tech for correction
2) Answer the 3 questions all service customers have:
   a) How much will this cost?
   b) When is it going to be done?
   c) What are you going to do?
3) Keep CURRENT with the transaction and **FOUR** data points
   a) WO STATUS
   b) PROMISE DATE - as communicated to customer
   c) WO Comments - SO everyone can see if a customer calls
   d) Job Line Status

**SIX Places a Work Order Can Be:**
1. Work that can be done - Dispatch Desk - place may be eliminated by scheduling all work to a tech regardless of start date. One of the two “10 slot racks” according to last WO digit.
2. Work that can't be done - Service Writer's desk. The other of the two “10 slot racks” according to last WO digit.
3. Tech Clipboard and Bin of Tech's Available work - separated by tech, in order to be done of all scheduled work.
4. Warranty Office - no drawers, only a counter, all claim work and WO's out and visible. May also use at “10 slots” system.
5. Tub for Customer Pick-up - Filed Alphabetically
6. Service History File of all completed WO's

"Good Service Management steps are simple, but they aren’t easy."
PURPOSE

Service Manager's "One Line" job description: Provide a positive ownership experience for every customer by selling tech’s time at a profit.

Two positions bring money into the store. Those are sales persons and service techs. All other positions in the store are in support roles.

There will only ever be three components to profit – Volume (Revenue), Gross (%Margin or Revenue minus Costs) and Expenses. If you aren't making a profit, it can only be one or more those three things.

When a customer perceives their expectation has been met, they are “satisfied.” We can’t control much of that. We can control their expectation by managing their experience. Be consistent. Focus on the way the customer looks at the circumstance.

Between Purpose and People is the Integration step.

If you, as the leader, aren’t constantly pointing out the direction you want your people and business to go, they will surely wander out on their own.

You manage things (Processes and Performance) and lead people (Purpose and People)

Quality Work in the Service Department lives between the Technician's ears.

A good understanding makes a good relationship.

A good reputation is built on many good deeds and destroyed by one careless act.
**PEOPLE**

HR – Hire slow – Fire fast.

Bonus HR – The people who got you to this level are not necessarily the ones who can get you to the next level.

Stress to Fun Ratio – Poor training or weak employees equals frustrations and a spiraling stress to fun ratio.

When hiring someone look for four things: Competence, Character, Chemistry and Commitment. Given that they can do the job, will they do so ethically? And will the fit in with the existing culture? Are they likely to “stick?”

**Between Purpose and Process is the Training step.**

Training and development -- If you want a strong team, no more than half of the management team should have been hired from the outside. Less than that and you either aren’t doing a good job of developing talent or your aren’t hiring a good quality of “raw material.”

Training is an all the time effort. One successful store does a 20% allocation of time to training. 10 or even 5% would be an improvement at most stores.
PROCESS
Keep it simple – What processes have become complicated or convoluted?

Don’t Skip Steps in the Process –

If everybody owns it, nobody owns it. It’s true of processes, equipment and responsibility. If someone isn’t in charge, it will not get done. If someone isn’t responsible, no one will care. If someone isn’t “on the hook” for the care and maintenance of a piece of shop equipment, it will get lost or fall into disrepair.

Scheduling Work – What we call a scheduling problem in our shops is usually a capacity issue. That is, we don’t have enough ability to get work out of the shop.

Schedule work to the techs as soon as possible. Show the backlog on each tech.

Service writing – until you’ve answered the three questions every customer has, you haven’t done your job nor have you earned the right to do business with them. If you don’t know the three questions --- we need to talk.

The earlier the information is entered into the system, the fewer downstream problems you have.

Count the cards every afternoon at three. Have the tech’s clipboards loaded before you go home.

Triage within 24 hours.

Used up front in 72 hours.

Between Process and Performance is the Execution step.
Nothing happens until something is sold.

Nothing is sold until value exceeds the price.

Value is a three-legged stool. It is made from Perceived Quality, Convenience and Price. In other words, it is made from two of the three; Better, Faster or Cheaper. You can choose two of those but not all three.
PERFORMANCE
Remember the “Silver Bullet” – You gotta do the work!

Git ‘er Dun! – Look for employees who exhibit what I call a compulsion to closure… They simply HAVE to get things done, finished and over. When you find them, see if they are management material.

Excuses or results? – If you have an employee who gives excuses instead of results, acts in a lazy manner or won’t follow your processes – they need to be released to find something better suited for them. Don’t allow an employee to hold you and your business purposes hostage by not doing what they should.

Between Performance and Purpose is the Feedback step.
What gets measured – gets done!

Here are some of the more important metrics and key measurements of your service department:

Productivity – The relationship between how much you bill in the time you are punched on a work order is the biggest determinant of profit in the shop.

More on Productivity:
From Life: From IDS:
1. Show Up 1. Attendance (Premise)
2. Work while you are being paid 2. Actual Time (On W/O)
3. Get better and better every 3. Billed Time ($$$ in hours)
day.

Management = Actual / Attendance (Time on Task)
Techs = Billed / Actual
Well- run Straight-time shop should be 85%. Flat rate should be over 100%

Each tech owes the company 2000 hours a year. Each bay owes about 15K in revenue a month.

Support ratio is 2 to 1. That’s two techs for every one in support. I only count billed techs and the following positions for the support count. Those are Service Manager, Production Manager/Shop Foreman

Warranty should bill about 2 to 3% of the New Sales Department’s Cost of Sales. Service policy should be around 1% to 2% of service gross profit.

Service gross profit should be the difference between the revenue and the tech’s productive wage. In today’s market, that should be about 70% of service labor billed.
AXIOMS
If you have a working Shop Foreman, that person is doomed to fail at either production or management. Both can’t be done simultaneously in an effective manner.

Used – Should be back on the front line in three business days and should not be shown until it has been detailed. Not meeting those two conditions erodes your used gross.

Push to accomplish both Flat Rate Billing and Flat Rate Pay. It builds both quality and profitability in the shop.

Each Special Ordered Part should be considered as a new appointment. You can’t save yourself into a profit – but you can sell your way out of trouble. (By the way, you can’t borrow yourself out of debt either!)

Some of the best deals you make are the ones you walk away from. If you have a customer who is beating you up for every dime of sales gross, what makes you think they won’t be a problem is service later? (Gravy versus Grief)

Advertising – a sterling reputation is worth more than all the ads you can buy.

“No Dough – No Go” No unit is released without payment first.

When a unit comes in, the work order is created. When the unit leaves, the work order is paid and closed.

Sales is our number one customer. They deserve to be treated at least as well as any other customer. Never take them for granted.

Frank Colby’s “Two Thing Before You Start:”
1. Don’t make promise you aren’t going to keep.
2. The truth will set you free.

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