

Charging by the Hour Does Not Work

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There are two primary methods of charging for repairs:

- Hourly - AKA Time and Material
- Flat Rate - AKA Job Rate Guide



How many in the class charge :

- Time & Material?
- Job Rate?
- Why do you charge the way you do?



Job Rate Vs. time and material

- I will present what I believe is solid evidence that time and material simply does not work!
- Please feel free to question or challenge me on any point I make in this presentation



Job Rate Vs. Time & Material

- Why Job Rate over Time & Material?
 - Predicable and unpredictable repair problems affect cost
 - Training, parts warranty, accessibility, rusted parts, etc.
 - Time charged for time spent is not fair – to you or your customer
 - Some techs are slower and some faster –
 - Inexperience can charge more by hour
 - Experienced techs penalized for expertise using hourly



Job Rate Vs. Time & Material

- Benefits of Job Rates

- Standardizes pricing across business – removes guess work!
- Enhances your company image and reputation - Communicates I'm a professional !
- Technicians gain and exhibit confidence. Less pressure!
- Takes pressure off CSR's to guess on repair costs!
- Reduces customer complaints – removes time argument !



Predictable Cost Factors

in order to provide professional service

- Accessibility to technical data
- Marketing: YP, Internet, Business cards, stickers, fliers, magnets, truck lettering,
- Support Labor: CSR's, accounting, parts, benefits
- Insurance: Health, Completed Operations, Workers Comp, Vehicle, Umbrella,
- Vehicle: purchase, maintenance, gas, tires,
- Utilities: Electric, gas and Internet
- Telephone, computer and cell phones
- Supplies: paper, uniforms, invoices, software, office stuff, tools, etc



Predictable Cost Factors

in order to provide professional service

- Technician training
- Specialty test equipment and tools.
- Cost of living increases.
- Parts and labor guarantee.
- Quality of replacement parts.
- Inventory carrying costs.
- Average repair time.
- Accounts Receivables



Unpredictable Cost Factors

things that can alter repair time & drastically change the level of difficulty of the repair

- Inaccessible products due to installation
- Parts rusted in place
- Parts that break during disassembly
- Unforeseen circumstances, weak flooring, hard water, low pressure, slow drain, low voltage supply
- Product modification kits requiring additional time
- Seasonal conditions that adversely effect our ability to service the appliance
- The design of the product - IE not service friendly



Job Rates Create Pricing Consistency



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Job Rates eliminate these problems!

1. Some technicians are slow /some fast
2. Experienced technicians get penalized for their expertise using the hourly method
3. Customers are not constantly checking the clock!
4. Standard pricing simplifies your entire business
5. Removes pressure from techs AND CSR's
6. Allows technicians to take their time without feeling rushed by and/or for the customer.



Compare these two repairs

- Whirlpool dryer support package
- Vs
- Whirlpool refrigerator start kit



Do you operate a professional company?

- If you are not sure let's conduct a comparison survey between your company and ANY large national service organization
- If you are sure but the same comparison survey will be helpful to demonstrate your real value



National Service Department Vs. Your Company

National Service

- Different Technician
- Performance Driven
- Issue Nightmares
- CSR's are Detached
- Lack of Consistency
- Sterilized Service
- Escalation Quagmire

Your Company

- Same Tech Every Time!
- Relationship Driven!
- Fast, Friendly Follow up!
- CSR's are Empathetic
- Consistently Consistent!
- Personalized Service!
- Owner availability!!!



National Service Department Vs. Your Company

National Service

- Uniformed Techs
- Lettered, stocked trucks
- Scheduling Delays
- Technicians unavailable
- Specialty Techs
- Repair delays

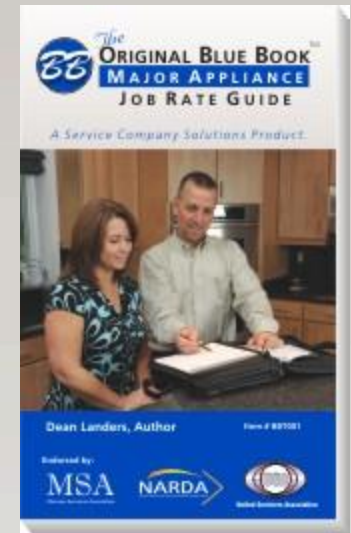
Your Company

- Uniformed Techs!
- Lettered, stocked trucks!
- Service within 48 Hrs!
- Phone access to a tech!
- Multi-line techs
- Streamlined process



Flat Rate Guide Presentation

- Complete the thorough diagnosis of the appliance
- Confirm availability of the part with Marcone
- Be prepared – know what you are talking about
- Call the customer by name in front of the appliance
- Explain the failure
- Offer to show her the defective part
- Explain the solution
- Provide the repair timeline
- Show her the flat rate price listed in your job rate book
- Ask if she has any questions
- Ask for the repair



THANK
YOU!

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