Is your Service Department Pro-Active or Reactive?

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Do you have plans for things such as:

- □ When will you need to add another technician?
- □ What will you do if one of them is sick?
  - ▪ God forbid, one of the Quits!
- □ Which of your customers are having too many service calls?
- □ Which one of your technicians is struggling with what model machines?
- □ Who will need training on what machine next?
- □ Do you have Dispatchers – or Resource Managers?

OK, so our Service is Reactive…

- How do we make the shift to Pro-Active?
  - There are many factors that will help us become less and less reactive
  - The change will happen slowly, but it CAN happen
    - The result will be less stress among our employees
    - Our Customers will be Happier
    - Our **Profits** will INCREASE!

Where do we begin?

- Let's start with Field Service
  - We know how many technicians the financials say we can have, but what does our workload require to meet response time goals?
    - The financials can tell us service department revenue divided by target revenue per technician to give us our potential headcount to meet P&L goals
  - We must balance the financials against the workload to insure customer satisfaction does not suffer –as well as our technician's job satisfaction!

To establish our manpower requirements:

- We need to know our current MTBV (Mean Time Between Visits) for each of our models as well as our current MIF, or Machines In Field
- Then we need to know the Average Call Duration including both Customer and Travel Time – by Model if at all possible

The Formula:

- Divide 30 days in a month by the MTBV to get the service call frequency
  - 30/60 Days between Service Calls = .5 Service Calls per Month as an example
- Multiply that by the Average Call Duration
  - .5 Calls per Month X 1.5 Hours Customer & Travel = .75 Hours Per Month per Machine
- In turn Multiply that by the MIF or Machines In the Field
  - .75 Hours per Machine X 100 Machines = 75 Hours to support that model in the field

Total all the hours for each model

□ We now have our total requirement for our MSH, or Machine Service Hours for our field population

□ Divide that Total MSH by 140 Available Hours Per Tech per Month and we have our number of Service Technicians Required at the current level of machine performance

  ▪ If your current level of machine performance is NOT at an acceptable level, *DO NOT HIRE TO YOUR CURRENT LEVEL OF INEFFICIENCY!*

Compare!

□ You should compare your current levels of machine performance (MTBV, Copies between calls etc) with Manufacturers suggested performance or use an outside data source so that you know if and when your numbers must be improved

□ A simple increase of 5 or even 10% in MTBV will result in substantially lower number of required technicians

What about Service Tech Productivity?

- The formula we are using requires that our technicians can deliver an average of 140 hours in the field per month
  - This total is combined Customer and Travel Time
- The current model states that we should get 7.5 hours of productive time per day per tech which would total out to 150 hours in a 20 day month
  - 140 should be a very attainable number
  - Falling short of this number means that we have some part-time techs that we are probably paying on a full-time basis!

Jack's Rule on Technicians…..

- If you can see them…….
- They aren't doing what you pay them to do!
  - But you had better Inspect What you Expect in the Field as well!
    - Make sure they are where they say they are when you can't see them!

What about Growth?

- Your formulas should also account for Net New placements
- Sales should communicate forecasts, especially for large bids, with Service
- Don't forget to subtract machines that will come out of the field as well
- Proper planning will enable you to get large bids without having your existing customers suffer

OK, so now we have the right number of techs....

- After we have the number of techs we need and a way to plan for when we need more, we need to look for inefficiencies
- We should develop a set of statistics which we can use to identify techs that need help to improve their Days & Copies to Failure
  - Identify your strongest performers on models and pair them up with the weaker performers to help them improve

Recalls....

□ Sure, we all have them – but what do we do about it?

▫ Recalls are a fact of life, but when we exceed 10%, we have some work to do

▫ Look for patterns where certain techs are having excess recalls on some models

■ That should be a training opportunity!

Excess Service or Alerts

□ This is the old "3 calls in 30 Days" rule

□ Reports should be run *weekly* to identify those customers so you can act on them BEFORE they call you!

▫ This is the real meaning of Pro-Active

■ Call that customer, visit them in person, send a field manager, but DO SOMETHING so that customer knows that you are going to resolve their problem

■ The problem may have already been resolved, but you still have a perception issue

■ They have seen you there too much!

First Alert?

- Who is the first person in your organization that knows when a customer is having issues?
  - The person that answers the phone!
  - Let them be your "Early Warning System!"
  - Emails to team leaders and managers can avert issues immediately
    - Send a supervisor or senior tech with the tech that has had trouble getting the problem resolved
    - By bringing additional support, that tech can be a Hero instead of the Guy that couldn't fix their machine!

Proper Car Stocks

- Yes, having the proper part in the right place at the right time is indeed Pro-Active!
- If your incomplete for parts call percentage exceeds 10%, you are actually throwing Labor at a Parts Problem!
- Think of it, if you need to spend money to increase your parts stock to achieve a 10% incomplete rate, you only have to buy those parts once and then just replenish the parts that are used on a regular basis
  - You have to buy the labor for those excess R/S calls every hour on the hour!

Service Territories

- Service Territories can be used to balance workloads and copies per technician as well as cutting travel time and expenses
  - Territory modeling should include required monthly workload hours as well as copies generated for each machine
  - Sort by Zip code to place machines in a geographical area
- Decreasing Travel time should result in increased Customer time
- Increased Customer time results in Reduced Burden Rates!

Model Specialization

- Any time that you can specialize technicians on models or segments, it can be a Win – Win
  - The tech will be more proficient and have better time to failure
  - Customer Satisfaction will increase as a result
  - They will require smaller car stocks
    - Specialization by Segment can also be used as a Career Path

Technician Evaluations

☐ Although sometimes painful, evaluations should be done regularly and honestly with the goal being to help the tech improve to be the best that he or she can be

☐ Eliminate as much subjectivity as possible

☐ Field audits and ride days should be used to validate and support the evaluations

Technician Incentives

☐ What does the average technician get when they really bust their >>> on a service call?
  ☐ Another call!
    ▪ Or several more!

☐ Properly used incentive programs can be used to get techs to increase their calls per day, First Call Effectiveness, manage their parts inventory and many other areas which all result in INCREASED PROFITS

Pro-Active Recruiting

□ These days, it is increasingly important to be constantly recruiting for good technicians

□ Having a stack of good resumes will keep you out from under that 8 Ball when a tech wants to leave or get an increase

□ It's also vital when you get into a growth mode and bid on large deals!

□ Consider starting tech school students on delivery, in the shop etc

◻ Grow your own!

Dispatcher or Resource Manager?

□ Dispatchers take service calls and issue them to technicians

□ Resource Managers help you manage your most expensive resources – your technicians!

◻ They can keep call loads balanced among techs

◻ They can cut travel time by monitoring call locations as well as the nearest techs

◻ They can help you keep response times under control

◻ They can alert you of potential disasters with customers

What tools does a Resource Manager need?

□ Programs that allow technicians to manage their territories and close calls without talking to a dispatcher are essential!
  ◘ In Dispatch, if it's not "Real Time" it's Not Right!
□ Tools such as MS MapPoint can give them a visual representation of where calls and technicians are
□ GPS Systems can be used to lower travel time as well as keep tabs on company owned vehicles
  ◘ They can actually lower your insurance rates!

Lastly – Disaster Preparedness

□ What would you do if your computer system crashes?
□ What if the power goes out?
  ◘ Would you know where your technicians are?
  ◘ Would you know what open service calls you have?
  ◘ Could you continue running calls?
  ◘ How would your customers & technicians call you?

Be prepared-It works for the Scouts!

- Run open service call lists regularly
- Run dispatched service call lists
- Prepare for loss of phone service
  - Call forwarding to cell phones etc
  - Have emergency contact phone numbers
- Have old fashioned paperwork!
  - Customer lists with machines & EQ Id's
  - Call closeout sheets for techs

OK, so let's wrap it up…..

- We need to have a manpower planning and forecasting tool
- We should balance revenue per technician with workloads
- We need reporting tools to hold technicians accountable for their productivity
- We should be Pro-Actively recruiting
- We need to insure that our machines are running at acceptable levels for days to failure and copies between calls
- We need an evaluation and career path program for our technicians

Parts

- The success of your service is "joined at the hip" to your parts department
- If we do not have the right parts in the right place at the right time, the resulting excess rescheduled service calls means that we are spending labor dollars on a parts problem

Customer satisfaction

- We need to setup regular reporting that alerts us when customers are having issues like too many service calls in a given time etc
  - We MUST act on that information in a timely basis and touch that customer either in person or on the phone to insure their issues have been resolved
    - The customer's perception of your service organization is at stake!

Resource Management

- It is critical that our Dispatchers become Resource Managers
  - They can be our First Alert for customer issues
  - They have the ability to cut travel time and expense with the proper tools
  - Bottom line –
    - They are Managing Our Most Expensive Resources!
      - Our Technicians

Pro-Active Service is a Win – Win!

As customer satisfaction increases, so do PROFITS!

Questions – Discussion?

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