



Installation Fees

Are dealers compensating reps for them? If so, how?

Compiled by: Elizabeth Marvel, Office Technology Magazine

Following are two questions submitted by a dealer member as part of BTA's Dealers Helping Dealers resource and many of the answers received. These answers and others can be found in the members-only section of the BTA website. Visit www.bta.org/DealersHelpingDealers. You will need your username and password to access this member resource.

Do you compensate reps for installation fees? If so, how is this determined and does the size of the installation make a difference?

“Yes, it is simply added to the profit of the deal 100% and paid as a percent of commission.”

*Clint Feybusch, president
Office Concepts, Warminster, Pennsylvania*

“No. Installation fees belong to service.”

*Mike Boyle, president
Base Technologies, Bethel, Connecticut*

“Yes, \$100 for the first machine and \$50 for each additional machine is charged in sales.”

*Michele Lopez, marketing director
Barlop Inc., Miami, Florida*

“We do not compensate reps on it. It is a separate line item. Printers are \$200, copiers are \$500.”

*Chip Miceli, CEO
Pulse Technology, Schaumburg, Illinois*

“Not normally. They [reps] almost never charge for it. If they do, it is just the amount that covers the cost so they do not get comped on that.”

*Ron Hulett, president & CEO
U.S. Business Systems Inc., Elkhart, Indiana*

“No. The install, freight and delivery fees are hidden in their rep costs. We bill each item out behind the scenes to the correct GL code to track these fees against our actual costs.”

*Brad Osborn, vice president/general manager
Fruth Group Inc., Phoenix, Arizona*



“No, we would rather compensate on the items/areas that make a better impact on the deal and overall business as a whole, such as gross profit, service revenue, lease spiffs and net-new sales.”

*Brian Bence, executive director of sales
SVOE, Verona, Virginia*

“Yes, if they are doing work to take care of the customer, it is based on the install fee, but is usually similar to the GP percentage we pay for commissions.”

*Tyler Best, president
Abadan, Richland, Washington*

“No. Install fees are determined by us and taken out of their COGS [cost of goods sold], and they are paid on margin.”

*Christina Morgan, president
TDSiT, Lowell, Arkansas*

“No. Install fees are bottom-line costs along with networking costs. Reps must incur on every deal unless given authorization to remove.”

*Anthony Donnellon, vice president of operations
Donnellon McCarthy Enterprises, Cincinnati, Ohio*

“No. Compensation is based on MRR [monthly recurring revenue].”

*Tony Sanchez, president
C3 Tech, Santa Ana, California*

“No compensation, but install fees are listed on our sales order as a cost. The rep can either charge the customer for it or deal with the cost increase.”

*Jeffrey Taylor, president
Kingsport Imaging Systems, Kingsport, Tennessee*

“We charge the rep for each machine installed. \$200 for A4s and \$400 for A3s. The cost is added to the deal as a line that the rep has to pay for. If it is multiple-machine deal, we do adjust based on the amount of time needed.”

*Kim Valenta, vice president
Offix, Gainesville, Virginia* ■

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