



FUEL OIL NEWS

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Oil Burner & Accessories Roundup



Part 1: Tune Up Your Service Department

This is part 1 of a 3 part series on how to increase profits and customer satisfaction for service departments

BY DAVID VISAGGI

FOR MANY FULL SERVICE FUEL DEALERS, THE SERVICE DEPARTMENT is the key to customer retention. Full service consumers worry about their house freezing or not having a hot shower. They are less worried about a run out than an unattended breakdown. It follows that the service department can impact customer loyalty by responding quickly, solving the problem in the first visit, and forecasting service costs accurately.

Despite this opportunity to create a competitive advantage, the service department is commonly treated as a necessary evil and a drain on the company, instead of a viable profit center. As a result many service departments are fraught with frustration and losses. It doesn't have to be that way. Here are some tips on how to increase profits and customer satisfaction.

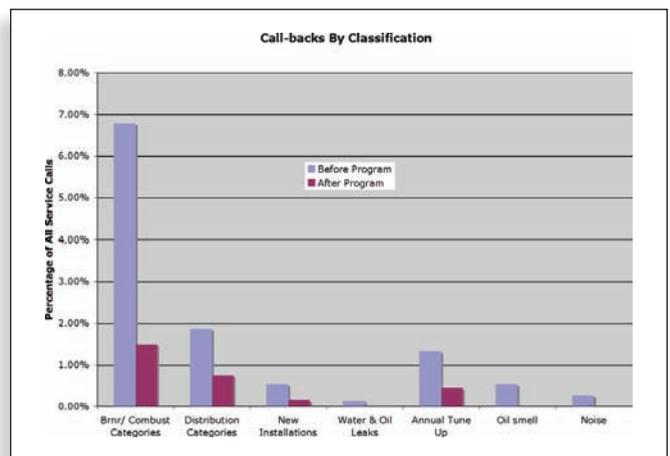
REDUCE CALLBACKS

By reducing callbacks you increase both your bottom line and customer satisfaction. The typical technician costs about \$30,000 per year in wasted labor, parts, management time, and lost fuel accounts. A callback audit that identifies the problem technical areas and the struggling technicians will lead to effective solutions.

Technical training is not enough. You need standard field procedures. Wouldn't it be nice if you could get the same tune up from all your technicians? Wouldn't it be nice if all your technicians checked the same things as your best technician? It's possible. The chart shows the results of standardized procedures that were introduced in a callback reduction program.

SERVICE CALL RESPONSE TIME—EXCEEDING EXPECTATIONS

I once had a customer tell me that what he loved about our company was that we showed up every time we said we would. That struck me as an odd complement. I was thinking, "Is that all I have to do to impress a customer? Just show up?" Obviously, you have to do more than that. You have to solve the problem. But the point remains that there are many competent service companies that don't schedule themselves well. If simply arriving on time exceeds the expectations of many customers, it follows that proper scheduling should be an easy opportunity to outperform the competition. A friend of mine would call that "low hanging



WEIL MCLAIN GOLD BOILER INSTALLATION PRICING MENU		
# boiler sections	Pricing	Extension
3	\$5,834	
4	\$6,130	\$6,130.00
5	\$6,638	
Continue with more sections as needed		
Tankless Coil	\$742	
Steam Boiler Installations		
Add'l LWCO (MM #67 or equivalent for steam boilers)	\$301	\$301.00
Hydrolevel VXT-120 water feeder or equivalent	\$490	\$490.00
Manual Reset Pressure control	\$234	
Alternate Pressure control (vaporstat) - replace p-trol that came w/ package boiler w/ vaporstat	\$321	
Other Considerations		
Fan in a Can	\$603	\$603.00
Moving boiler over steps (Price per step - rounded to nearest \$)	\$33	\$330.00
Protecting walls (Price per wall - rounded to nearest \$)	\$40	\$40.00
Protecting floors (Price per floor - rounded to nearest \$)	\$56	\$56.00
Doors to be removed & reinstalled (Price per door - round to nearest \$)	\$28	\$28.00
Asbestos - custom estimate		
additional labor charges @ \$120/hr		
explanation:		
additional parts charges		
explanation:		
TOTAL CHARGES		\$7,978.00

fruit.” Let’s look at how we can grab that low hanging fruit.

Over-scheduling increases customer wait times. That’s why people hate contractors. Most companies either pre-schedule too much work or not enough. This reduces customer satisfaction and increases costs. In addition to increasing customer wait time, over-scheduling results in excessive overtime, increased technician fatigue, increased dispatcher stress, and increased callbacks. Under-scheduling results in idle time for technicians. Both errors are costly.

Forecast your workload. It can be done. There is a relationship between the weather (and a few other factors) and the amount of same day service emergencies. Once you know the relationship, you can forecast tomorrow’s workload to keep your customers happier and to reduce your costs.

Forecasting your workload will help you decide: 1) How much work to pre-schedule on a given day—whether to reschedule some non-urgent calls or to find work to fill in the schedule, and 2) How much staff to line up for weekend and holiday coverage.

ESTIMATE FASTER AND MORE ACCURATELY

Another reason that people hate contractors is because many are not good at estimating. Many show up to survey the job and then either send the proposal out weeks later or not at all. This wastes the customer’s time as well as the contractor’s time. Additionally it paints the contractor as unprofessional, thus, reducing the chance of getting the job. Worse than losing the job, is losing the fuel account, which can happen if the job goes to another fuel company.

The way to estimate quickly is to reduce all the decisions to a series of “menu items.” Create a survey questionnaire to prompt the gathering of all necessary information. Then create a menu of all the incremental costs. The example on page 16 came from a spreadsheet that actually recalculates prices as input costs and margins change. Appropriate prices will vary based on your costs and profit margins.

The benefit of this process is that it is consistent, fast, and easy to delegate. When

I was a service manager, I could easily give my survey (not shown) to any of my technicians and get the same answers. It took me 10 minutes to price and then another 5 minutes to fill out our standardized proposal form (also not shown). Our customers had the proposal by the next

day—sometimes the same day. We wasted fewer hours estimating jobs because the surveys were faster and as a result we won a greater percentage of the bids. | **FON**

David Visaggi, president of Inside Oil Consulting, is an operational specialist for fuel retailers and mechanical service companies. He can be reached at david@insideoil.com; www.insideoil.com.

Amazing what you’ll find when we connect the dots for you.

*If you think you’ve gotten your credit card processing rates to the lowest possible level, **THINK AGAIN.***

- **94% of the companies we review are still paying more than they should.** Sometimes much more. Even when they’ve been told that they’re getting the discounted utility rate.
- **There are tricks to getting the full benefit of the utility rates.** New ways to connect the dots that most credit card processors, and fuel companies, don’t fully understand. But we know them all. We led the fight to get these rates applied to fuel dealers in the first place. As the recognized experts, we are the **#1** processing choice of fuel dealers across the country.

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