

The background of the slide shows two hands raised in a gesture of offering or support. The hands are positioned on either side of the central text, with fingers slightly spread. The background is a soft-focus outdoor scene featuring a green field in the foreground, a single tree in the middle ground, and a light blue sky with scattered white clouds. The overall lighting is bright and natural, suggesting a sunny day.

**Profitable  
Service:  
Building Blocks  
of a Great  
Service  
Department**

# Disclaimer

- Some information may be proprietary and therefore questions about it may not be answered
- Some information we may chose not to comment on for other reasons



**Hiring:  
The Right  
People, the  
Key to Success**

**“No company can grow revenues consistently faster than its ability to get enough of the right people to implement that growth.”**

David Packard, co-founder of the Hewlett-Packard Company

# 3 Simple Truths

1. If you begin with *who* rather than *what*, you can more easily adapt to a changing world.
2. If you have the right people, the problem of how to motivate and manage largely goes away.
3. If you have the wrong people, it doesn't matter whether you discover the right direction, you'll never reach your destination.

*Good to Great*, Jim Collins

# Hire Right

- The key to encouraging growth is hiring the right person to fill the spot.
  - Write down what key characteristics are required for success in that position and in your company.
  - Hire the right person for the right job.
    - Use interviewing tools.
    - Personality profiles / Aptitude tests (Prevue, Brainbench, etc.)
    - Drug and background checks
    - Check references thoroughly
  - Don't fill the spot until the right person is identified. You will find a way to get by until the right person is identified.

# Hire Right

- If you can't find the right person, change your tactics, not your expectations.
  - Networking
  - Recruiting Agency
  - Promote employee referral program
  - Relocation
  - Look internally for someone who can be promoted or retrained from a position that is easier to fill
  - Change your ad
  - Flexible schedules
  - Job sharing
  - Other ideas?

# Hire Right

- **New Vs. Experienced Technicians**
  - **New, Inexperienced Technicians**
    - Tend to be more trainable
    - Accept company policies more readily
    - Tend to have better longevity
    - Tend to have better company loyalty
    - Are initially more expensive due to training and learning curve
  - **Experienced Technicians**
    - Tend to be on the job faster
    - Tend to pay back faster
    - Tend to resist company specific processes
    - Tend to resist change
    - Tend to have less loyalty/ longevity



**Training:  
Encourage  
Growth By  
Providing a  
Work Path**

# New Hire Training

- Getting started on the right foot gives the new employee the confidence to perform their job well.
  - Departmental ride along orientation
  - Adequate on the job training
  - Develop outside school/ training requirements (HBTI, Renton Vo. Tech., Bellingham Tech. Coll., etc.)
  - Determine tuition assistance program (if any)
  - Tool requirements and purchase assistance
  - Clear, written job descriptions

# Setting Consistent Expectations

- The first step is to determine what you expect from your staff.
- What are your real expectations, not of each employee, but of each position?
- Meet with new employees prior to releasing them to perform work independently and set the minimum performance expectations based on their position.
- Meet regularly to evaluate performance vs. goals.
- Implement corrective actions to improve poor performance.
- Advance motivated employees through determined higher levels of their position; increase expectations/ goals accordingly.

“Every employee is different, but the expectations for each position should always be the same.”

# Development Plans

- Every manager should have a development plan for each of their employees.
  - Meet monthly to review goals and performance
  - Prioritize needs and develop short-term and long-term goals to meet those needs.
  - Short-term goals deal with specific and essential performance shortcomings.
    - Work flow
    - Specific skills and/or techniques
    - Etc.
  - Long-term goals deal more with professional growth
    - People management
    - Advanced skills
    - New skills necessary for career advancement
    - Etc.
  - Allow the employee to give input for their goals.

# Development Plans

- Monthly ride along with written feedback
- Target specific areas needing improvement in all levels of technicians
- Evaluate performance of team monthly and develop training strategies for technicians

# Development Plans

- Leadership/ Mentorship Training
  - Outline for advanced leadership requirements
  - Advanced leadership classes
  - Supporting reading material
  - Trial training opportunities
  - Other advanced training opportunities

# Development Plans

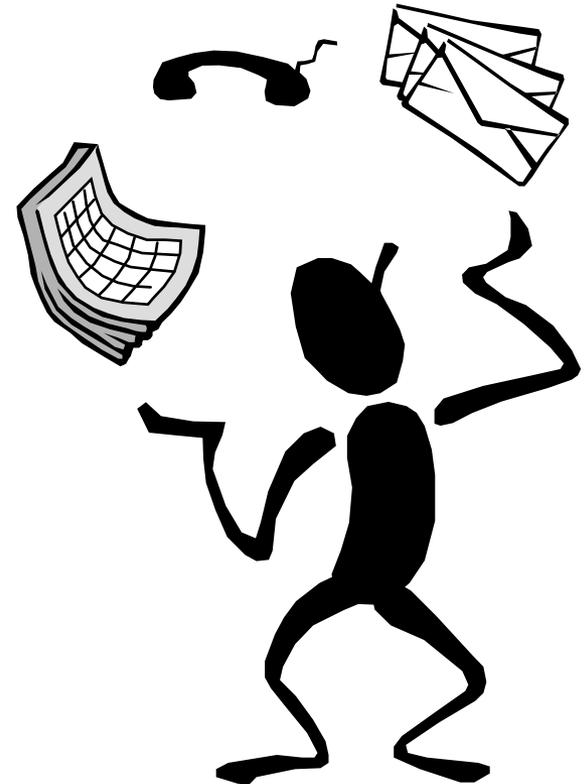
- Recognize and reward improvement
  - Gift cards
  - Certificates / Awards
  - Personal notes
  - Pay increases and bonuses
  - Other ideas?



**Pruning the  
Tree:  
When to Coach  
and  
When to Cut**

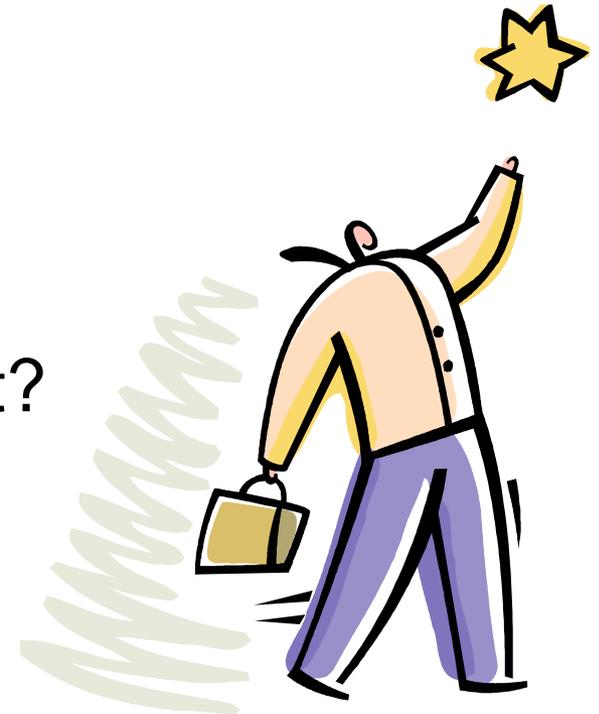
# The Impact of Poor Performance

- List all the things you do in a day, because others don't do their jobs:
  - Managing employee issues
  - Handling crisis
  - Handling complaints
  - What else?



# The Impact of Poor Performance

- If you didn't have to manage these issues, what would you like to be doing with your time?
  - Staff training
  - Program development
  - Revenue enhancement
  - What else is on your wish list?



# The Impact of Poor Performance

By putting the right people in the right spots,  
you will position your business for  
excellence.

# Square Pegs in Round Holes

- Not every employee will be able to meet the expectations of their position.
- We often have people in positions because they've always been there, or we feel a sense of loyalty to them, or they were the best prospect at the time.
- By keeping someone in a job they are not suited for, you are actually being disloyal, not allowing them to realize their full potential.
- If you have the wrong person in a job, ask yourself if they would they be better suited in another position.
- Sometimes you just have to recognize the brutal reality that you're faced with, and deal with it as fairly as possible.
- Sometimes it means replacing an adequate employee with an excellent one.

# Coaching and Training – When to A.C.T.

- Before you move someone from a position, ask your self three questions:
  - Does this person have the **ABILITY** to meet the expectations of their position?
  - Does this person possess your **CORE VALUES**?
  - Has this person had the **TRAINING** necessary to meet the expectation of their position?

# Coaching and Training

- If this person does not have the **ABILITY** or **CORE VALUES**, but has received the training, you should have no guilt about moving them out.
- If they possess the **ABILITY** and the **CORE VALUES**, but have **NOT** had the **TRAINING**, then it is our responsibility to provide the required training opportunities.

**A+C = Training**

# Termination: Pruning the Tree

- Pruning a tree is difficult work and makes the tree awkward for a bit. But the tree has more energy to devote to growth and is healthier in the long run.
- When you've done your job teaching, coaching and documenting, termination is not the last option, it is the BEST option.
  - By eliminating staff that perform poorly, you demonstrate to other staff members that similar behaviors are not acceptable, and you set consistent expectations.
  - By eliminating staff that have a negative impact on the morale of others, you immediately improve morale.
  - Good staff members will always step into the void left by a bad employee to make sure the work gets done.

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# **Flat Rate and Parts: Profit Through Inventory and Labor Management**

Who uses Flat Rate?

# Why NOT use Flat Rate?

- Ethics
- Think they are overcharging
- Think hard to explain
- Think techs will take advantage

# Why Flat Rate?

- Allows for consistency for customers despite varying skill levels of technicians.
- Allows for faster reaction to part price changes
- Job costs are more predictable
- Allows for specific profit margins to be calculated into the price of every job
- Simplifies technician quotes on the jobsite with printed manuals
- Better control/ oversight of repairs for Management
- Customer confidence in prices they can see as well as other visual aids the technician can use with the customer

# Implementation

- Find a program that you can be comfortable using
  - Take a class on flat rate
  - Search online for industry specific options
  - Create your own (time consuming, not recommended)
- Outline how you would like it used within your company
- Design a training program to teach your staff how to use the new system
- Set up role play scenarios. Verify consistency in pricing by everyone using the manuals
- Regularly revisit training topics to keep everyone up to speed on changes in prices an methods

# Benefits of Parts Management

- **Save Money!!**
  - Part costs
    - Between vendors
    - Types /Brands of parts
  - Loss or theft
  - Less inventory on trucks
  - Less inventory in shop
  - Faster turnover for less outdated, damaged, or obsolete parts
- **Easy, Tangible Results**
  - Can be compared dollar for dollar for actual savings and increased profitability
- **Cleaner, More Efficient Warehouse**
- **Uniform Truck Design**
  - Faster restocking
  - Easily learned by new employees

# Parts Management

- Always be willing to evaluate parts pricing and expense
  - Annually take the time to ensure the program you are using is efficient and competitive
  - Negotiate more competitive pricing as needed
  - Remember: a small savings over many purchases adds up to a very large savings!
- Research parts that come from the manufacturer vs. those repackaged and sold at a higher price by a secondary source
  - 21m/ 21v boards
- Consider “universal” alternatives to parts that are out dated, expensive, or obscure
  - Circuit boards
- Consolidate multiple specific parts into universal parts with adjustable ranges or higher quality upgrade options
  - Limits
  - Igniters

# Parts Management

- Find tools that make universal parts simple to use and adjust
  - Draft simulator
  - Capacitor tester
  - Digital Manometer
- Standardize truck stock and perform regular inventories to ensure correct stock levels
- Secure stock in house and designate a monitor to avoid “shopping” and theft.
- Process warranties weekly to avoid expired claims and lost money.
  - Make a designated location for incoming warranty parts
  - Create a system that ensures all parts are processed and payment is verified prior to part disposal



**Maintenance  
Agreements:  
Your Future  
Depends on It!**

# What Maintenance Agreements Do For You

- Consistent work
  - Fills in seasonal gaps
- Growth
  - Guaranteed work is quantifiable
  - Hiring is more specific, based on projected number of maintenance agreements
- Drive revenue
  - If tracked properly
- Maintain loyal customers
  - Long term maintenance customers will use you for repairs
  - Replacements equipment sales are more certain with new

# Is It Working?

- Do you have a program?
- Is it working for you?
- What are you trying to accomplish with it?

# Maintenance Agreements In A Nutshell

- There are many options and outlines for successful programs
  - Find a class to educate you on options (HBTI, BDR, Ask your distributor)
  - What do you want to accomplish
    - Consistent work
    - Growth
    - Drive revenue
    - Maintain loyal customers
- Build a program with those goals in mind
- Build a training program to teach staff how to present the value of the program
- Set standards for new customer conversions as well as existing customer retention
- Build growth models that show where to add personnel to meet service requirements as program expands
- Organize all contracts for timely reminders and completion
- Build sales process into field training program for all new employees



# **Business Coaching: Taking it Beyond the Basics**

# What Coaching Can Do For You

- Who holds you accountable?
- Where do you learn about new ideas?
- How do you stack up against others in the industry?
- Coaching takes you beyond what you may see on your own. It will help you evaluate your strengths and weaknesses. It can also reveal new and exciting programs your can implement to streamline your department, drive revenue; maintenance agreements; and sales leads, improve morale, and find opportunities for growth. Coaches will drive implementation and keep you accountable
- BDR