

Raker

Appliance Repair Professionals, Inc.

Customer Relations

Manual 12

Copyright © 2003 Harry D. Raker

Table of Contents
Manual 12
Customer Relations

Introduction	1
Understanding Value	4
Unwritten Limits on Diagnostic time	7
Establishing the Rules	9
Is the Customer Always Right?	10
Service Charges and Flat Rates	12
Using a Flat Rate System	15
Decide on Your Own Individual Policies	16
Free Information	18
Routing and Time Commitments	20
Scheduling With Two-Career Households	21
Locked Houses	22
Setting an Exact time	23
Scheduling Rules	24
Response Time	25
Dealing with “Mr. Fix-it”	26
Condemning Appliances	29
Authorization, Credit and Collections	31
Payment by Credit Card	33
Callbacks and Warranties	35
Capitalizing on Callbacks	37
Warranty Policies	38
Conclusion	41
Examination	43
Examination Answers	45

=====

Customer Relations

Introduction

Just what is customer relations? Libraries are full of books on customer relations, but no one seems to be able to make it simple and understandable.

The reason for that is simple. Human beings are complicated creatures and react in unpredictable ways. Two different people will react in completely opposite ways to the same situation. One may get very upset and the second be totally unconcerned. Predicting a person's reaction is difficult.

Our task, in this Lesson, is to study how customers think and to establish a framework of guide lines that will predict their behavior.

First, in the appliance business, what is a customer? It is a person who needs a service. Something is broken and they want it fixed.

All customers in any business need something. And they realize that they must pay money for satisfying that need. Problems arise because of differences of opinion on the value of the service provided and the manner in which it is provided.

Customer relations is the art of charging a fee for a needed service, and leaving behind a happy customer.

Happy customers call back and help to build a successful business.

It certainly sounds simple enough doesn't it. Unfortunately, it's not. Otherwise, the huge corporations of the world wouldn't employ thousands of people, handling problems, in their customer relations departments.

Uncle Harry's
Trick of the Trade # 189

Keeping people happy, while taking their money is a very tricky business. Don't assume that it is easy.

A novice in the service business may be a superb mechanic and a nice, gentle person. Yet, he may still irritate customers and find it impossible to make a living. How can this be possible?

Without training and a deep understanding of how customers think, it is difficult, if not impossible, to survive in any service industry. In dealing with tens of thousands of customers over three decades, *Uncle Harry* has observed certain patterns. Customers fall into groups that react in similar ways. A serviceman must study these predictable reactions.

In this lesson, we will study various patterns and learn how to act. By avoiding situations that create irritation, a technician can keep customers happy.

Uncle Harry's

Trick of the Trade # 190

Customers are not usually good mechanics, but they are still uncanny at telling a good deal from a bad one. They are keen observers of human nature. Even helpless little old ladies have very good sixth-sense when it comes to interpreting a fair deal.

To build a loyal following, treat them all customers honestly and fairly.

Certain aspects of a service business have more potential, for creating problems, than others. We will concentrate on those areas. We will also break down a service call into small segments and carefully study how to handle customers in each part.

Our subject areas will be:

1. Understanding value
2. Establishing the rules
3. Service charges and flat rates.
4. Giving away free information.
5. Routing and time commitments.
6. Handling "Mr. Fix-it."
7. Collection and credit.
8. Callbacks and warranties.
9. Personal habits.

It is important to introduce a new figure into our cast of characters. The subject of money and collections quickly brings up the subject of rip-off artists and unethical practices. To better understand the dark side of life we now introduce, *Blackheart*, our representative of the criminal side of life.

Blackheart has been known to take candy from babies and steal money from a blind man's tin cup. He has no morals whatsoever. *Blackheart* and *Straight Arrow* have opposite philosophies on all monetary issues.

Blackheart will take advantage of every possible opportunity to overcharge and rip-off a customer. He will be very helpful in understanding the difference between ethical and unethical practices.



Unfortunately, in the minds of some customers, we are all *Blackhearts*.

A few customers are blind to the realities of operating a business. They will never understand the need for certain charges. Fortunately, those customers are rare and easily weeded out.

1. Understanding Value

Let's start with one of the more difficult subjects, value and customer satisfaction. It is very logical to conclude that all customers will pay equally for a qualified technician to repair an appliance.

Wrong!

Customers must be convinced that they have gotten full value for services rendered. Convincing them is the tough part. Customers have preconceived notions of value. Unfortunately, a customer's opinion of value is often different from that of a service company. A good serviceman must learn to understand both points of view.

Many repairs are very straightforward and leave little room for confusion. But, occasionally, a call comes up that creates a problem and that is where our study begins.

Uncle Harry's Story Time

Back in the late 60's, I owned a chain of six coin laundries. These were all old stores with a mixture of vintage appliances. The equipment included many different brands and even coin dry cleaning machines. Not having much money, I began doing all of my own repair work. Fairly quickly, I developed the ability to repair most brands of equipment.

I got to the point where it was not necessary for me to call in any high-priced mechanics. Before long, other Laundromat owners began calling me to do their work and my reputation spread.

I enjoyed the reputation of repairing virtually anything. I especially enjoyed problems that the skilled Laundromat owners couldn't solve.

Back then labor rates were about \$20.00 per hour, plus parts. In many cases, the Laundromat and dry cleaning storeowners stocked their own parts. Frequently, I worked on an hourly basis. I was naive and happy to supplement my coin laundry income with the sub-contract work.

One particular incident is vivid in my memory. I was called to repair a German dry cleaning, a Permac. It was in the basement of a crummy coin laundry. The ceiling was low, and the working conditions were hot and miserable.

The two brothers that ran the dry cleaning plant were good mechanics and rarely called anybody in for a service call. Their Permac had defeated them. The drycleaner ran on water, compressed air, three- phase electricity and steam. It was very large and jammed in about 8" from the ceiling.

They handed me a German service manual. The circuit diagram unfolded out in an accordion fashion like a map for six pages. Everything was in German and all the symbols were foreign, and barely intelligible.

Being young and energetic and not too far graduated from engineering school, I was not intimidated and attacked the repair with relish. It took about two hours to unravel the puzzle and locate a bad coil on one of the dozens of solenoids that were squeezed together on top of the machine.

Of course, being an import and odd, I didn't stock the coil for the solenoid. I explained that to the customer. The brothers were capable of replacing the coil now that they knew the problem. I gave them the part number and showed them what needed to be done. I submitted a bill for my time and left.

I felt that I had done an excellent job, in record time, under adverse conditions. I had given the brothers the exact information that they needed to get their critical piece of equipment back on line.

How wrong I was! They were dissatisfied with my service. Believe it or not they felt my labor charge was too high. One brother complained, "You didn't repair anything." They disputed the bill and took several months to pay.

I was insulted and confused. How could anyone (in this case another mechanic!) faced with such a difficult repair, not appreciate the service that I had rendered.

Back then I had no clue why my customer was unhappy. It took me several years before I finally woke up to the realities of presenting charges in the service business. Today, I fully understand the mystery of that situation.

There are countless examples of similar incidents. After a few similar complaints, the mystery is solved.

Uncle Harry's

Trick of the Trade # 191

Customers hate to pay for knowledge!

They want substance is a service call.

My Permac customer got nothing for his money except a “little information.” The customer felt embarrassed. He should have found the bad coil on his own.

Another example of perceived value:

Locating a broken wire, buried deeply inside a complex appliance, is by far the most difficult appliance repair. It requires an intimate knowledge of electricity and the ability to accurately read a circuit diagram. By comparison, parts diagnosis, and replacement is pretty obvious and easy.

Changing a part is more physically demanding and often requires working up a sweat.

Uncle Harry's
Trick of the Trade # 192

Adding substance to a service call.

1. Customers like it when you are making noise and working hard. They relax, knowing that you are earning your money.
2. Customers don't like to pay for thinking time, they want **action**. Reading a circuit diagram and quietly making tests makes them uncomfortable.

In some cases it can take an hour to locate a bad wire. Customers hate to pay for extended labor time. Logic, and the fact that the diagnosis is very tough, doesn't matter. In their mind, a “simple broken wire” should be found immediately. An “animated discussion” is likely.

How would our three favorite servicemen handle this delicate situation?

Blackheart has a simple solution. He avoids a potential labor charge argument. He always charges for replacing a bad part. He makes up a price, high enough to cover his time locating the wire. Sometimes he replaces a part and sometimes he doesn't. The customer pays for one in either case. (Remember, ethics don't affect his thinking.)

Straight Arrow makes no apologies. He charges for the time, and calls it like he sees it. If the customer complains, it's just tough. The time was spent and needs to be paid for. This is the common philosophy of large corporations. They are often insensitive to a customer's reaction.

Eddie understands customers a little better and compromises. He carefully explains the difficulty of the diagnosis and still backs off on the charge. He tries to make it reasonable. He feels that, long term, he is better off satisfying the customer. (He also knows that tough wiring problems are rare and that he can absorb the extra time occasionally. Burying the lost time will create better customer relations.)

Unwritten Limits on Diagnosis Time

Uncle Harry's
Trick of the Trade # 193

All customers have an invisible timer that starts ticking, when you begin looking at an appliance. In ten minutes, it starts ringing.

Times up!

It's time for the diagnosis.



After the timer goes off, you will hear:

"Well, what's up?" or

"Have you found the problem?" or

What's it look like?

Fortunately, with *Uncle Harry's* training you will be able to avoid this delicate situation and diagnose nearly everything within the time limit.

If you suspect in advance, that you are going to be a while, head off the probing questions at the pass:

"Mrs. Jones, I know from experience that this diagnosis will take a while. There are several expensive components involved that all cause the same symptoms. In order to determine the exact cause, and keep the repair bill low, I need to run a series of tests."

The Problems with Using Circuit Diagrams

On microwaves and self-cleaning ovens, it's sometimes necessary to retrieve the circuit diagram from envelopes stored inside. You need the circuit in order to trace the wiring and it may take a while. Many customers interpret this in the wrong way.



Uncle Harry's Trick of the Trade # 194

A customer often has the wrong interpretation of a technician reading a circuit diagram:

"Uh-oh, this guy doesn't know what he is doing. He needs a book to find the problem."

Explain to the customer that each appliance has unique wiring. The circuit diagram is like a decoding book. It is required to trace the color codes and interconnections of the wires.

More sophisticated customers understand the complexity of today's appliances, but less sophisticated ones don't.

It is best to minimize the use of circuit diagrams in front of a customer. If possible, utilize alternative tests, even if they take a little longer. Of course, if no one is watching, it doesn't matter.

Blackheart doesn't use a circuit diagram. He estimates high and guesses at the diagnosis.

Eddie follows *Uncle Harry's* philosophy and uses one when it's essential.

Straight Arrow uses one frequently. He is not sensitive to the customer's opinion.

Uncle Harry's
Trick of the Trade # 195

There is frequently a conflict between the difficulty of a task and the fee charged for a job.

Don't worry about it. A knowledgeable technician averages his charges to cover lost time and generate a handsome income.

The best philosophy is described Mary Poppins song entitled, "A Spoonful of Sugar Helps the Medicine Go Down". A skillful presentation of your charges, will help a customer decide that they have gotten their money's worth.

Remember the fee is based on the **customer's set of rules**, not yours.

2. Establishing the Rules

Have you ever seen hanging in a retail shop describing the two rules for dealing with customers?

Rule One, "The Customer is always Right."

Rule 2, "See Rule One."

We agree. However, things are a little more complicated and must be put into perspective.

One thing is certain, it **never pays** to argue with a customer. If a friendly discussion degenerates into an argument, you have made a critical judgment error.

No doubt that you have lost a customer. The experienced technician must control the situation and prevent an argument.

Is the Customer Always Right?

The customer is always right with one reservation. Good communications and the rules of the game must be clearly established in advance.

With a clear set of guidelines mutually agreed on, the chance for a misunderstanding is greatly minimized.

Uncle Harry's

Trick of the Trade # 194

Don't ever make a promise to a customer that you can't keep.

Two simple examples:

1. A customer may explain that they need to leave for work at 2:00 PM. If you arrive at 1:45 PM and expect a happy customer, you are mistaken. You're wrong and the customer is right.
2. A hardheaded customer makes it clear that they never pay service charges, only parts and labor. If you still accept the call, and don't get paid enough, it's your own stupidity. Refuse the call from the start.

Similarly, if you explain a policy to a customer and they violate it, you're right and they are wrong. Stand firm!

Uncle Harry's Story Time

We have a firm policy of always calling first. We confirm that someone is home. We explain this policy to all callers. The policy eliminates "not home calls" and wasted trips.

Not long ago, after trying unsuccessfully three times to get the phone to answer, I skipped a promised call. That evening I got a call from a very irritated customer.

"My father waited around all day, and no one showed up!"

I responded, "I called three times and no one answered."

"Oh, my father is elderly and doesn't answer the phone."

My secretary had made our policy very clear and she had not listened. I was friendly, but I didn't apologize. I was right. She eventually calmed down and we reset the call.

A certain small group of customers either fail to face reality or worse they have selective hearing. Others ignore any consideration of the problems that you face in trying to provide adequate service. The second group tend to make totally unreasonable demands.

In the early stages of establishing a new business, it is tempting, to do almost anything to satisfy a customer. This may be at the expense of your own well-being.

Uncle Harry's
Trick of the Trade # 195

Given half a chance, demanding customers will happily eat you alive. Be wary of customer's with unreasonable demands. They tend to be consistently unreasonable.

Examples:

1. A customer may demand that you come at exactly 7 PM on Tuesday night
2. Another may be very upset that you don't stock all necessary parts on your truck
3. Another may complain about your high service charge fee.

Clear communications right from the beginning will eliminate all these problems. If your customer:

1. Understands your policies.
2. Is willing for you to come out after you have explained the fees.
3. Accepts the agreed to time.

Then you've got a verbal commitment to proceed with the service call.

On the other hand, if the customer seems unreasonable over the phone, the chances are they're going to be unreasonable right on through the repair process. You're better off without them.

There is still a small percentage of people out there that believe the service charge should be free. They feel every part should be on the truck, and that your hourly rate shouldn't be more than \$10.00. Figure out who they are in the initial inquiry and dump them!

Uncle Harry's
Trick of the Trade # 196

If a customer is obviously undesirable, simply tell them that you are too busy at present and recommend that they call a competitor.

