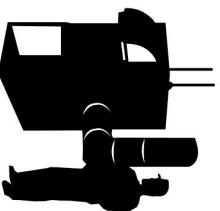


# The Answer Guide



## A Few Facts

- Flat rate pricing is commonly used in many service industries today, such as automotive repair.
- In focus groups and surveys, consumers overwhelming express a preference for flat rate pricing over time and materials charges. With flat rate, they do not need to worry that a technician might pad the bill by taking his time if work is slow.
- Flat rate prices come from a standard, national flat rate price book. The repair times are based on national averages so that you will pay the same price as your neighbor for the same repair, no matter how long the repair takes.



## • Does Flat Rate Save Money?

- Flat rate pricing repair costs are designed to be the same as what you would pay if charged an hourly labor rate, plus materials. There are some overhead savings under flat rate. Because flat rate simplified paperwork and administration, overhead is less. These savings are passed on to you.



## • Why Is Flat Rate Sometimes Called Repair Insurance?

Flat rate can save you a lot of money when a repair takes longer than expected. Because you are given an up front price, flat rate pricing acts like an insurance policy, eliminating unpleasant surprises.

## • How Can Contractors Afford To Offer Flat Rate?

Frankly, contractors have no choice if they want to keep up in the marketplace. Consumers prefer flat rate, so more and more contractors have begun to offer it. Usually, flat rate is offered by more progressive contractors who hire better quality technicians and train them well. Sloppy, unorganized contractors find it difficult to perform under the discipline of a flat rate system.

## • What Am I Paying Per Hour?

With flat rate you are no longer paying by the hour. Parts, labor, and overhead are all bundled into a single fixed price that will not vary. Hourly rates no more apply than they would to the purchase of a product off the store shelf.