

York 2008 Webinar Series



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Archived 2007 Webcasts

- www.contractingbusiness.com
- “Events” tab – then click “Archived Webcasts”
 - Technician’s Rules of Customer Engagement
 - Discovering the Customer’s Needs
 - Giving the Customers a CHOICE
 - Creating Clients...the Technician’s Most Important Responsibility
 - Benchmarking for Success
 - Selling Service Agreements
 - Performance Based Pay



2008 York Webinar Series

York's Objective:

- To fiercely support the success and profitability of the independent HVAC contractor
- Raise the Industry Standard and support our Dealers



2008 York Webinar Spring Series

Spring Schedule:

March 18, 2008 – Establishing a Culture of Service Agreements – Gary Elekes

April 22, 2008 – Implementing Flat Rate Strategies –Ron Collier



Thanks for joining us Today!





Flat Rate Pricing

Pricing Strategies for the Service Department



What is Flat Rate?

- Flat rate is the same as contract pricing. When you issue a proposal for a job for an exact selling price, you have issued a flat rate price. The price issued is a firm price regardless of the cost of materials or the cost of labor. A better name for flat rate would be “average” price based upon previous experiences.



Flat Rate Users

- Postal Service
- Oil Change Centers
- Restaurants
- Auto Service
- Lawn Care
- Cafeterias
- Roofers



Service T/M

Flat Rate

- Service Call = \$69.95
- Labor Charge 1.2 hours @ \$80 per hour = \$96.00
- Parts Charge = 1/3 HP/230 Blower Motor = \$120.00
- Total: \$285.95

- Service Call = \$59.95
- Task A1220 = Replaced 1/3 HP/230 volt blower motor = \$287.10
- Total: \$347.05



Service T/M

Flat Rate





- Service Charge
 - Labor Charge
 - Parts Charge
 - 30 day War Labor
 - 30 day War Parts
 - COC/Billing
 - Different Prices
 - Exact Time/Material
- Diagnostic Charge
 - Repair Charge
 - Repair Charge
 - 1 yr War Labor
 - 1 yr War Parts
 - Billing
 - Same Prices
 - Summary Invoices

Sample Flat Rate Book

NORTH RESID Technician's Price Book Preview

Collier Consulting Group

North Service Price Book

Service (S)	Gas Heating (GH)			
	SAVINGS	SEA	Regular	After Hours
3SGH-A0105 60 Replace Fan Center  1 24010 FAN CENTER 115-208-230/24 Notes: n/a	\$51.45	\$190.83	\$248.28	\$268.12
3SGH-A0124 10 Replace 36" Flexible Gas Connection  1 30-3131-36 36" FLEXIBLE GAS CONNECT, GAS CONNECTIONS - BRASSCRAFT Notes: n/a	\$11.70	\$49.51	\$63.31	\$66.14
3SGH-A0318 30 Replace Adjustable Limit  1 39205 Trane THT2535 Notes: n/a	\$29.71	\$118.00	\$152.11	\$161.43
3SGH-A1019 5 Replace 1/2" Gas Cock Lever  1 92-3232 GAS COCK 1/2 IN LEVER, GAS CONNECTIONS - BRASSCRAFT Notes: n/a	\$5.43	\$22.40	\$28.74	\$30.22

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Flat Rate Pricing—The Good

- Standardizes Pricing Among Technicians
- Fewer Customer Complaints
- Reduced Arguments over Time
- Reduced Arguments over Materials
- Doubles Service Profits
- Easily Respond to Changing Market
- Fairest Way to Price



Flat Rate Pricing—The Good

- Better Parts Pricing
- Offer Better Warranties
- Discounts to Customers
- Show Price Before We Repair/Install
- Just Like Plumbing/HVAC Proposals
- National Measurement for Performance Based Compensation Plans



Flat Rate Pricing--Reality

- Makes you more money—20-25%
- Collect in the Field, reduce A/R
- Summary Invoicing—Less Complaints
- Standardizes Pricing
- Allows for differences among field
- Sell more Service Agreements
- Performance Based Pay



Flat Rate Pricing---Set Up

- Develop Service Agreement or Discount Program
- Purchase Flat Rate Software, not Books
- Print Edit Book with two or three columns
- Train office and field staff
- Review Book and make changes
- Print Final Book
- Get Final Book on Street within 2 wks
- Revise Book as needed through field input, new products, parts, market changes



Flat Rate Pricing

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