

Arming Your Product Support Service Representatives for Maximum Impact

Selling parts and services is much more difficult than everyone thinks it is. Many in the industry still believe that it's a public relations job with occasional delivery services thrown in. Not true.

The product support sales function is both defensive and offensive. On the defensive side, you need to retain and protect the business you've earned. On the offensive side, you also need to grow your business. Last month, I talked about accomplishing both of these goals through carefully structured commission programs that encourage your product support sales reps to sell more labor.

Now we need to talk about what exactly your Product Support Service Representatives (PSSRs) should be selling. Let's start with the basics.

Develop a Dealership Bible

If it hasn't already, your dealership should develop a single resource listing all the products and services your dealership offers and how much they cost. This information should be available on your sales reps' laptop computers. But even if it isn't available electronically, your dealership should have a comprehensive "sales book" that is broken down into two sections: products and services/programs.

The **products** section of the sales book should cover each of the parts families available from your dealership:

- Hardware (nuts and bolts)
- Bearings
- Seals and packings
- Engine parts
- Transmission parts
- Undercarriage
- Ground-engaging tools
- Electrical parts
- Hydraulic system parts
- Hydraulic hose and fittings
- Filtration parts and fluids

Each of these sections should include sales material that covers:

- Features and benefits
- Operating cost implications
- Competitive information
- Typical objections with response ideas

If your sales reps have laptops, plug this information into some type of presentation software –Power Point, Freelance Graphics, Corel Presentations, Astound – that the rep can use in front of a customer. If your sales rep doesn't have a laptop, give him a flip chart that he can use during presentations to customers.

The **services and programs** section of the sales book should include information on each of your dealership's repair options, specialized tooling and programs:

- Maintenance services
- Machine appraisals
- Inspection programs
- Extended warranties
- Maintenance and repair contracts
- Major component rebuild programs
- Replacement-before-failure programs
- Oil sampling programs
- Shop cost analysis
- Undercarriage measurement services
- Engine and transmission testing services
- Machine tune-ups

Like the parts section of the sales book, each of these should include material that covers features and benefits, operating cost implications, competitive information and typical objections with response ideas.

Other information the book should cover includes convenience issues like discounts of rental machines while a repair is in process or one-way transportation offers, depending on the size of the repair job. With your dealership's sales book in hand, your sales reps have just about everything they need to do their job. They also need a **customer profile** that lists name, address and purchases in parts, service, sales and rentals; machines in use; and their hours of use per year. From the customer profile your sales rep will be able to assemble a **competitive profile**: which customers are buying what products or services from your competitors and why. Your dealership should have information on each competitor: number of years in business, products or services provided, number of locations, number of employees and sales volumes (if possible).

For each of the customers in a territory where your sales rep has the complete customer profile, you can calculate the actual and potential parts and service business of each. Armed with this information, you can see what opportunities exist for the dealership with each customer.

Now your sales reps are ready to work.

You Gotta Have a Plan.

Several types of customers will require your product support sales rep's attention: customers who buy high volumes from the parts department but low volumes from the service department, customers who use only the service department, customers who buy regularly from the dealer but do not buy any filters or fluids. And so on.

Once there is a clear outline of the opportunities within the sales territory, the sales rep needs to prepare a plan for each customer within a grouping. This is the beginning of structuring calls for customers with a specific product, service or program in mind. It also is a very different function than most product support sales reps perform.

Without a plan the sales rep will arrive at the customer site and ask how things are going. That is not the way to grow business, nor is it a good way to retain customers. Customers want a PSSR who will help them make more money. The PSSR does this by reducing the owning and operating cost of the customer's machine fleet and developing programs that will protect the residual value of the equipment.

Say a customer owns 20 machines of varying sizes, makes and types and that each machine works 1,500 hours per year. You should be selling this customer at least 120 engine oil filters per year. Your dealership sells eight. What does this data tell your product support sales rep? What can he do to recapture that business?

Let's say the customer is using competitive filters. Your sales rep must find out who supplies those filters: Is it one supplier or many? Why does the customer choose to buy there? What does the customer like most about dealing with that particular supplier?

Depending on the responses, your sales rep can put together a plan to sell the customer filters supplied by your dealership. The same structure would be used for transmission filters, fuel filters and other "wet" filters as well as "dry" filters.

Many customers buy filters based on price. Some buy on perceived quality. If your sales rep has the answers to these questions he can put together a series of presentations for the customer that will allow the customer to make a more informed choice.

If the customer buys on price, your sales rep can find out the cost of the component that the filter protects. How much is the 50 cents the customer saves on a filter from your competitor worth if an engine fails prematurely?

For the customers who buy on quality, your sales rep needs to present the facts of the products. Does the sales rep carry a filter cutter? Does he know enough about competitive products to talk about the material in the end cap, the features and benefits of the recoil spring? *Knowing your dealership's products and competitive products is absolutely vital if your sales rep is to earn the respect of the customer regarding your ability to reduce his owning and operating costs.*

The same type of review needs to be done, product-by-product, and service-by-service, for each customer. When your product support sales rep shows this kind of interest in the customer and comes calling with good operating-cost reduction information, the customer will be much more inclined to include him in purchase decisions.

The Cost of Lost Opportunity

If you have segmented your customers and assigned sales reps to somewhere around 80 percent of your parts and service business, you can now start a proper sales-planning process. You will know more about the competitive situation in your trading area for each of the parts families and services offered. You can begin strategic planning.

Let's take a dealership with the following profile.

Adding \$1,175,000 of gross profit would be an extremely significant event for this dealership. It's probably not going to come from increased equipment sales. How much has *not* having a PSSR cost this dealership?

Overcoming an Industry Paradigm

One of the most significant opportunities we have in the parts and service business – and in the dealership – is to increase our penetration of the maintenance market. This represents about half of the labor hours put on the equipment in our trading areas. We do not receive very much of this business.

We must start pushing maintenance programs for every machine and mobile unit that our customer owns. It does not have to take a "journeyman" technician to perform a 250-hour or 500-hour service. This is the paradigm the industry must overcome. (Another obstacle is the thinking that we must have a technician who performs the maintenance and is able to make repairs while he's at the machine. That is not a part of a well-run maintenance program.)

I would have the PSSR sell oil sampling, shop cost analysis, extended warranty programs (that pay retail) and maintenance programs. With the oil sampling we can monitor wear rates, which enables us to predict when components will fail. This in turn leads to replacing components before they fail, which significantly reduces the customer's costs (half of the repair bill can be avoided if the repair is made before failure). This is all made more practical with a regularly scheduled maintenance program.

Let me close on what this opportunity represents for your dealership. Let me give everyone the benefit of the doubt and say that the OEM dealers hold a 50% market share on repairs. Let me go further and say that maintenance hours and repair hours on equipment are equal over a five-year timeframe. This means that if you were able to obtain half of the maintenance market you could double your service department revenue. Isn't that worthwhile?

Just a Recap

In this article I have outlined what sales tools are required for product support selling. Then we covered how to determine the potential for each territory. Finally, we established a plan for each customer within each sales rep's assigned group.

Without strong success from your product support sales force, I believe your dealership is in jeopardy. I am further very certain that the results you are receiving in parts and service sales can be significantly increased if you operate and manage a product support sales force effectively.

So go ahead – aggressively! Be more than you thought you could be. Make the future in product support your future. You will really enjoy it.

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