

How to Sell Diagnostics

When the customer comes in with a problem that requires diagnostics, it is the Service Advisor's responsibility to sell your diagnostic services.

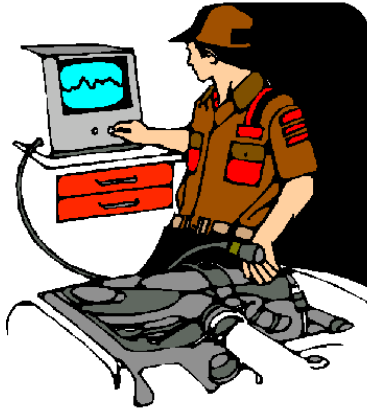
The wrong way to sell diagnostic services is by the hour. If your diagnostic charge is 1½ times your door rate (example: \$66 hour door rate), how many of your customers make \$99.00 per hour? Customers are much more likely to react negatively if you announce that you are going to charge them \$99.00 an hour.

The best way to sell diagnostic services is with a diagnostic menu of packages (Phase 1, Phase 2 and Phase 3 diagnostics). The first two packages have a set price for a list of diagnostic services you describe to the customer. The package price for each of the first two phases is determined by the average amount of time it takes to complete each phase and any outsourcing costs you will incur, such as hotline charges.

"Mrs. Jones, our Phase 1 diagnostic package covers [SHOW AND EXPLAIN LIST OF PHASE 1 DIAGNOSTIC SERVICES]. Your investment for these Phase 1 services is only \$_____."

NOTE: To further support the extensiveness of your diagnosis, print out a sample copy of a system diagnostic report as an example to show the customer.

"If we can't determine what's wrong with your car after we've completed Phase 1, we'll need to go to Phase 2. Our Phase 2 diagnostic package includes [SHOW AND EXPLAIN LIST OF PHASE 2 DIAGNOSTIC SERVICES]. Your investment in Phase 2 will be \$_____."



Mrs. Jones, there are over 22,500 different makes and models of vehicles and, because of the enormous amount of different things that can be going on, sometimes we have to outsource for more specific repair information. That outsource information costs us [\$_____], which is included in the investment I just quoted you.

Occasionally, but not very often, Mrs. Jones, the problem is difficult enough that we have to go to our Phase 3 diagnosis that includes [SHOW AND EXPLAIN LIST OF PHASE 3 DIAGNOSTIC SERVICES]. Because of the nature of what may be needed in Phase 3, a \$_____ per hour fee will apply until the problem is determined.

Mrs. Jones, we will keep you fully informed on the results of each phase of the diagnosis. If a diagnostic phase does not reveal the problem, I'll be able to demonstrate to you why it didn't. Plus, we will not proceed to the next phase, if needed, without getting your authorization to go further."

It's important to educate the customer on what may or will happen so that the customer feels comfortable with you and your shop.

This education includes what additional problems may occur after you have identified and resolved the system currently causing the problem. If the customer doesn't understand, they will most likely blame you for the next problem. For example:

"Mrs. Jones, even when we determine and fix whatever system is malfunctioning, you may continue to have some problems that are unrelated to the system we fix.

Your car is at an age that the manufacturers have preset certain sensors to shut down. Through no fault of anybody, there's a good chance that once we fix this system, another system on your car is going to go down. And it's going to indicate that it's down the same way this current system did – your 'Check Engine' light is going to go on.

What I want you to understand, Mrs. Jones, is that after we fix this current problem, there's also a probability that you will be getting into your car in the near future and that same 'Check Engine' light will come on. The reason is that your car is at a certain age where the manufacturers have preset a lot of the sensors to shut down. When the light does come on, bring the car back in and we'll go through the same process. I'll have the paperwork to show you not only what was wrong the first time, but the next time as well. I'll be able to prove to you that the next problem is a different system. I just don't want you to think we're not doing a good job for you.

Shall we get started with our Phase 1 Diagnostic package?"

Once the customer agrees to the Phase 1 diagnostic work, record it on the work order and have the customer sign their approval. If the customer volunteers their approval for Phase 2 or Phase 2 & 3 service, record that on the work order and have the customer sign their approval. DO NOT TRY TO TALK THE CUSTOMER INTO AUTHORIZING PHASE 2 & 3 AT THIS TIME.

If the Phase 1 diagnostic work does not identify or resolve the problem, call the customer to explain the results of Phase 1 and sell them the Phase 2 diagnostic package.

"Mrs. Jones, I'm sorry. We did everything in our Phase 1 diagnosis, but we were unable to determine what's wrong with your car. We did [DESCRIBE EVERYTHING DONE IN PHASE 1] Consequently; we need to go to Phase 2 to identify your car's problem.

As I described earlier, our Phase 2 diagnostic package includes [EXPLAIN LIST OF PHASE 2 DIAGNOSTIC SERVICES]. Your investment in Phase 2 will be \$_____.

Mrs. Jones, as I mentioned earlier, there are over 22,500 different makes and models of vehicles and, because of the enormous amount of different things than can be going on, sometimes we have to outsource for more specific repair information. That outsource information costs us [\$______], which is included in the investment I just quoted you.

Shall we proceed with Phase 2?"

Once the customer agrees to the Phase 2 diagnostic work, record it on the work order along with noting the customer's telephone authorization, and have them sign their approval when they return to the shop.

If the Phase 2 diagnostic work does not identify or resolve the problem, call the customer to explain the results of Phase 2 and sell them the Phase 3 diagnosis.

"Mrs. Jones, again I'm sorry. Unfortunately, our Phase 2 diagnosis didn't reveal what's wrong with your car. We did [DESCRIBE EVERYTHING DONE IN PHASE 2] Consequently; we need to go to Phase 3 to identify your car's problem. As I described earlier, our Phase 3 diagnosis includes [EXPLAIN LIST OF PHASE 2 DIAGNOSTIC SERVICES]. Your investment in Phase 2 will be \$99.00 per hour until the problem is identified or until we reach a maximum amount of investment that you set.

Shall we proceed with Phase 3?"

Once the customer agrees to the Phase 3 diagnostic work, record it on the work order (including any maximum amount that they designate) along with noting the customer's telephone authorization, and have them sign their approval when they return to the shop.

Sample diagnostic procedure worksheets are located on the next three pages.

Phase1 Diagnostics

Procedure and Sign-off List

Level 1 diagnosis is for a driveability problem that is constant and can be reproduced consistently during a normal road test or while in the service bay. It is also the first step in the diagnostic procedure phases and **must be completed** before moving on to additional diagnostic procedures.

This is a diagnostic test procedure to determine what problems exist and the charge is for testing only. All other repairs that have to be performed are at an additional charge.

- 1. Verify customer's concern with road test – is there enough gas for testing?
- 2. Visual inspection of the engine and vehicle for obvious problems: vacuum lines, broken motor mounts, plug wires off or melted, sensor wires off.
- 3. Relative and actual compression test if problem is found.

1.	2.	3.	4.	5.	6.	7.	8.
----	----	----	----	----	----	----	----
- 4. Scope primary ignition and repair as needed.
- 5. Scope secondary ignition and repair as needed.
- 6. Verify proper ignition timing: Actual _____ Specs _____
Test vacuum advance and centrifugal advance if applicable.
- 7. Test fuel pressure: Actual _____ Specs _____
- 8. Test fuel volume – at least one quart per minute or use Flow Meter.
- 9. VACUTEST vacuum system for leaks and repair as needed.
- 10. Confirm EGR and EGR solenoid operation.
- 11. Test battery under load.
- 12. Test charging system – Voltage reading _____ Are diodes ok?
- 13. Check for any exhaust restriction or convertor problem.
- 14. Air duct integrity after MAF sensor.
- 15. Test for voltage in the coolant system (this will cause numerous computer system problems).

Wipe off all handprints and return vehicle clean.

ANY NEEDED REPAIRS FROM THIS DIAGNOSIS MUST BE COMPLETED (ALONG WITH CUSTOMER APPROVAL) BEFORE PERFORMING PHASE 2 OR PHASE 3 PROCEDURE TESTS.

Customer Name: _____ Vehicle: _____

Technician: _____ Comments: _____

Phase 2 Diagnostics

Procedure and Sign-off List

ALL PHASE 1 DIAGNOSTICS MUST BE PERFORMED FIRST and any problems that are found must be repaired before performing Phase 2 diagnostics.

Level 2 is used for extensive computer system diagnosis and parameter testing.

This is a diagnostic test procedure to determine what problems exist and the charge is for testing only. All other repairs that have to be performed are at an additional charge.

- 1. Customer authorization for Phase 2 continuation obtained?
- 2. All needed Phase 1 repairs have been completed?
- 3. Pull up all hard and soft codes _____
- 4. Fill out driveability scan data sheet.
- 5. Test any sensor identified as a problem or out of range (20 ohm resistance minimum).
- 6. Test any actuator identified as a problem.
- 7. Follow strategy based diagnostic flow chart.
- 8. Look through all data streams and investigate any out of range data.
- 9. Use O2 sensor tester and test oxygen sensors. Test heater signals and wiring.
- 10. Test coolant temperature sensor for proper output signal with Laser Gun or Scanner.
- 11. Test air temperature sensor for proper output signal with Laser Gun or Scanner.
- 12. Test mass airflow sensor with lab scope.
- 13. Test throttle position sensor with lab scope and set to proper specifications.
- 14. Test fuel pump electrically with lab scope.
- 15. Test fuel injectors with load tester and pressure gauge for shorted windings.
- 16. Voltage drop test through the positive and negative wiring systems.
- 17. Check for TSB and Identifix bulletins.
- 18. Repair any sensor, actuator, computer wiring, or ecm as needed before going to Level 3 diagnostic procedures.
- 19. Clear all codes from system.
- 20. Test VERIFY all repairs with test drive and reset all IAC parameters.

Wipe off all handprints and return vehicle clean.

ANY NEEDED REPAIRS FROM THIS DIAGNOSIS MUST BE COMPLETED (ALONG WITH CUSTOMER APPROVAL) BEFORE PERFORMING PHASE 3 PROCEDURE TESTS.

Customer Name: _____ Vehicle: _____

Technician: _____ Comments: _____

Phase 3 Diagnostics

Procedure and Sign-off List

This is a diagnostic procedure for intermittent and odd running problems no one else has been able to repair.

CHARGES BY THE HOUR WITH A 2-HOUR MINIMUM.

- 1. All Phase 1 and Phase 2 diagnostic procedures have been completed.
- 2. Follow strategy based diagnostic flow chart.
- 3. Customer authorization for extensive driving and Hotline charges is obtained.
- 4. Vehicle is driven by shop foreman or technician at nights and on weekends to verify problems and needed repairs while monitoring scanner data or lab scope and using scanner data sheets for comparison.
- 5. Capture all data for Hotline.
- 6. Play back data frame by frame and look for unusual glitches.
- 7. Call Hotline with data and vehicle information for any help.
- 8. Test sensors with lab scope while driving. Are cam and crank sensors in sync?
- 9. Test each ECU lead for proper voltage signals wire by wire, especially grounds.
- 10. Load test all injectors.
- 11. Try a test ECU if one is available or a test module.

Wipe off all handprints and return vehicle clean.

Customer Name: _____ **Vehicle:** _____

Technician: _____ **Comments:** _____

Offering an Extended Warranty

For years, Sears, Best Buy and many other retail companies have made a lot of money offering extended warranties. They have been successful because people continue to place a value on having extended warranty protection. All it takes for customers to be sold on an extended warranty is to have one experience when a problem would have been covered had they purchased an extended warranty.

To increase your competitive position, your shop can offer a 12-month/12,000 mile, one-year parts and labor extended warranty for an additional 10% of the ticket price the customer pays. Have a certificate printed that includes the date of service/repair, service or repair performed, the vehicle description, mileage at the time of service or repair, and a place for the shop owner's and customer's signature.

- Only offer an extended warranty on jobs that you do completely.

If a customer comes in for a water pump, but has old hoses that are likely to fail within the next 12 months, that customer will likely feel that the hose failure was part of the water pump installation.

Even though you can explain the difference, you'll probably lose a customer who believes you're only trying to get out of honoring your warranty. Therefore, only offer the extended warranty on jobs where you are either convinced the associated parts will remain in tact for 12 months or you repair or replace them as part of the total job.

[Name of Service Center]	
Extended Warranty — 12 Months / 12,000 Miles	
<i>Parts & Labor for 12 months or 12,000 miles for the service/repair described below.</i>	
Start Date: _____ End Date: _____	
Name: _____	Address: _____
City: _____	State: _____ Zip: _____ Phone: _____
Vehicle: Year: __ Make: _____	Model: _____ Odometer: _____
Work Order #: _____	Description of Service/Repair: _____
_____	_____
<small>Customer Signature</small>	<small>Service Center Authorized Signature</small>

- Only offer an extended warranty on jobs that have a lower risk of a comeback.

When a customer initially authorizes you to perform the complete job, offer the extended warranty when you merchandise the vehicle back to the customer.

After having explained all the work performed on the customer's vehicle and any additional work needed:

"Mrs. Jones, let me also let you know that [SHOP NAME] has an extended warranty program that we can offer you. Because we replaced the belts and hoses as well as the water pump, you qualify for our extended warranty. Our extended warranty is for 12 months or 12,000 miles. If that water pump fails for any reason other than a car wreck within 12 months or 12,000, we'll fix it for you at no charge to you. Your investment for our extended warranty on the water pump is only \$___, Mrs. Jones.

Would you like to take advantage of the extra peace of mind our extended warranty provides?"

When a customer has **not** initially authorized you to perform the complete job, use the extended warranty as a selling up process when calling the customer about the requested work or additional work needed.

"Mrs. Jones, we've determined that your water pump is leaking and we

need to replace it. To replace the water pump, your investment would be \$_____. How would you like us to proceed? [APPROVAL GIVEN]

Great, we'll have that completed for you today.

Mrs. Jones, let me also let you know that [SHOP NAME] has an extended warranty program that we may be able to offer you. What I mean by that, Mrs. Jones, is that your car has 55,000 miles on it and still has all the original belts and hoses. Although they look pretty good, they're a little soft and it's really past their replacement time.

We have to remove those belts and hoses to get to the water pump. So, there would be no additional labor charge to you to replace those belts and hoses while we're replacing the water pump. Your additional investment would only be for the belts and hoses themselves. That additional investment would only be \$_____, Mrs. Jones. This is really saving you the labor cost.

Also, if you choose to have the belts and hoses done at the same time as the water pump, you would qualify for our extended warranty. Our extended warranty is for 12 months or 12,000 miles. If that water pump fails for any reason other than a car wreck within 12 months or 12,000, we'll fix it for you at no charge to you. Your investment for our extended warranty on the water pump is only \$_____, Mrs. Jones.

Would you like to save the labor charge and have those belts and hoses replaced, and take advantage of our extended warranty on your water pump? [APPROVAL GIVEN]

Great, we'll have everything completed for you today."

NOTE: Offer an 18-month, 18,000 extended warranty if you already offer a 12 month, 12,000 mile warranty on parts.

You will need to be patient and persistent in offering your extended warranty program. It will normally take awhile for it to build up. Keep track of any situations in which customers would not have had to pay for additional work if they had purchased your extended warranty. When those situations arise, say to the customer:

"Mrs. Jones, unfortunately you didn't have our extended warranty on [NAME PROBLEM] or this repair wouldn't have cost you anything. I hope you'll consider our extended warranty on your future service work."

NOTE: Set up a warranty escrow fund. You can take out any funds not needed to cover warranty repairs as profit at the end of the year.

Business Improvement Assignment

Develop appropriate diagnostic worksheets that fit the diagnostics your shop performs or plans to perform.

Two possible formats for your shop's diagnostic sheets can be:

- Print individual copies so the customer can review them and sign off on them.
- Put them in laminated plastic so you can show them to the customer.

Set up an extended warranty program for your shop.

Once you have created your certificates, practice selling the extended warranty with your Service Advisor(s).

Conduct a shop meeting to review Segment 5 issues and review any shop issues that have come up in previous shop meetings.

Keep discussing ways to improve the performance of your shop. If assignments have been made to staff members, get reports on results and next steps to take (and by whom).

A sure ticket to failure for service centers today is to keep trying to conduct business the way it was successfully conducted 5 years ago. Technology, more complex vehicles, changes in customer expectations and increased competition are requiring much more sophistication in running a profitable service center.

Review Quiz

Answers to quiz at the bottom of this page.

Volume 1, Segment 6

Circle Your Answers

1. The best way to sell all diagnostics is a flat dollar per hour rate.
A) True
B) False
2. The best way to sell diagnostics is:
A) Phase 1, 2 and 3 all at the same time.
B) Each phase as it is needed.
C) Not sell it, but offer it free – only charging for any actual repair work.
3. The next phase of diagnostics should be sold immediately following your report of how the previous phase didn't identify the problem.
A) True
B) False
4. You should only offer an extended warranty on:
A) Partial jobs.
B) Jobs with a higher risk of comebacks.
C) Vehicles that are over 10 years old.
D) None of the above
E) All the above.
5. Customers are likely to start purchasing your extended warranty as soon as you start offering it.
A) True
B) False

The next segment of Learn To Earn will cover:

Analyzing Comebacks

Selling Additional Services to the Comeback Customer

Merchandising Completed Services to the Comeback Customer

Conducting a Facility Audit (including what a female friendly facility looks like)

Don't miss out on 25 TSP bonus points! Here is how to add 25 TSP bonus points to your account!

- Complete the above quiz by circling your answers.
- Completely fill out the information below:(Please print. Information must be legible to receive credit)

Account Name: _____ Date: _____

TSP Account #: _____ Phone Number: _____

- Fax this page to the following number 1-800-550-2654.
- Keep for your records.