



Telephone Follow-up Program

Implementing a customer service follow-up program as part of your normal repair services is a worthwhile investment to ensure the satisfaction of your customers and the quality of your shop's services.

Contact each customer within 5 days of their leaving your shop to verify their satisfaction with your completed service work.

There are two approaches on how to make the follow-up calls and who should make them:

- 1. The person calling represents a neutral party** — either someone from outside of the shop or someone in the shop who does not have direct contact with customers.

Customers will usually provide more honest feedback when they are talking to a neutral party. Many customers who are not satisfied with the service they received will not give honest feedback to the Service Advisor because they want to avoid any form of confrontation. A neutral party puts these customers more at ease.

If customers have questions or comments about specific aspects of the service performed, the neutral party making the call will not have the necessary knowledge or information to respond to the customer. The neutral party caller will ask if the customer would like to have a manager call them and, if "yes," the Service Advisor or manager makes the second call within 24 hours of the initial follow-up call.

- 2. The Service Advisor, shop manager or owner makes the calls.**

The advantages of this approach are that the Service Advisor, shop manager or owner will be

more knowledgeable about the service that was rendered and be able to make any decisions that are necessary if the customer has a complaint or a problem. Additionally, it may be easier for any of these three to gain an appointment from the customer who needs to come in for additional work. This approach requires only one call.

The disadvantages are that, until a customer expresses a complaint or problem that needs to be resolved, making informational calls is not the best use of the Service Advisor's, shop manager's or owner's time. Additionally, customers may not feel comfortable expressing how they really feel to someone directly involved in the service of the vehicle or functioning of the shop.

The following is the process of making telephone follow-up calls.

When making follow-up telephone calls:

- Make sure you have all the necessary reference information before placing the call – customer profile, copy of work order, additional work estimate (if applicable), analysis information (CCF), and diagnostic sheets.
- Plan what you want to accomplish with the call and prepare exactly what you will say.
- If part of your call is to schedule additional work needed, make sure you ask about the customer's satisfaction with the work already completed. If the customer is not satisfied, resolve that issue to the customer's satisfaction before asking for additional business (may require another call).
- Begin and end the conversation by thanking the customer for doing business with you.

- While more customers are accepting calls at work, the best policy is to ask customers (when writing up the work order) when and where they prefer being contacted.

The following is an example customer satisfaction follow-up telephone contact:

“Good (morning/afternoon/evening). May I please speak with Mr./Mrs./Ms. _____?”

Hello, Mr./Mrs./Ms. _____, this is (your name) from (shop name). I’m calling to thank you for bringing your car/truck/van to (shop name) last (day).

- *Was our service staff willing to understand your problem?*

IF NO: “What difficulty did you experience?”
- *Did our service staff explain the diagnosis and needed work to your satisfaction?*

IF NO: “What difficulty did you experience?”
- *Was your vehicle returned free of grease, oil and fingerprints?*

IF NO: “Would you please describe the condition of your vehicle when you received it?”
- *Was your vehicle completed on time?*

IF NO: “What problem came up that caused it to be late?”
- *Was our service facility clean and neat?*

IF NO: “Where do you feel we are falling short?”
- *Was the work we performed on your vehicle satisfactory?*

IF NO: “What difficulty are you experiencing?”

- *Is everything on your car/truck/van working okay now?*

IF NO (Customer may describe a different problem they are having.): “What exactly is the problem? (Get description of problem from customer.) We would appreciate the opportunity to help you resolve that problem/get that service performed. Would you like to schedule an appointment to get that taken care of? (If yes, schedule appointment. If no, “Fine. Give us a call when you’re ready.”)

- *Is it likely that you will return for future service or repair work?”*

IF YES: “Great. Thank you for your time Mr./Mrs./Ms. _____. We at (shop name) appreciate your business and hope you’ll think of us for your future service and repair work. Good-bye.”

IF NO: Would you please tell me what the problem is? (Take careful notes on the customer’s response.) Mr./Mrs./Ms. _____, (shop name) stands behind its work. We want to resolve this problem to your satisfaction as soon as possible. Can we schedule an appointment to get this taken care of? What day and time would be convenient for you to come in? (Set appointment.) Thank you for giving us the opportunity to resolve this problem. We appreciate your business. I’ll see you (day/time of appointment). Good-bye.”

IF CUSTOMER GETS ANGRY (Hear customer out completely without interrupting or defending your shop’s work. Record the customer’s comments, then: “Mr./Mrs./Ms. _____, I’m sorry you had a bad experience. (shop name) wants to make it right for you. I’ll ask the shop manager/owner (select one) to call you as soon as possible. We appreciate your business. Good-bye.”

Customer Service Telephone Follow-Up Response Form

Fill in top three lines before making calls.

Customer Name: _____	Phone #: _____	Date: _____
Vehicle: _____	Work Order #: _____	Date of Service: _____
Additional Work Needed: _____		
Service staff willing to understand: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Service staff explained diagnosis / needed work: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Vehicle returned free of grease, etc.: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Vehicle completed on time: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Service facility clean: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Work performed satisfactory: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Is all working okay on vehicle <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Likely to return: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Additional Work Scheduled: _____		
Additional Follow-Up Needed: _____		
_____		Follow-Up Date: _____

Customer Name: _____	Phone #: _____	Date: _____
Vehicle: _____	Work Order #: _____	Date of Service: _____
Additional Work Needed: _____		
Service staff willing to understand: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Service staff explained diagnosis / needed work: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Vehicle returned free of grease, etc.: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Vehicle completed on time: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Service facility clean: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Work performed satisfactory: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Is all working okay on vehicle <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Likely to return: <input type="checkbox"/> yes <input type="checkbox"/> no: _____		
Additional Work Scheduled: _____		
Additional Follow-Up Needed: _____		
_____		Follow-Up Date: _____

Pricing For Specials

Your profit allocation for advertising pays for the creation, production and circulation of your marketing materials, not for the cost of special prices on parts offered in those materials.

One of your profit goals is a 60% gross margin on parts. As you learned, pricing from acquisition cost up is the way to achieve this gross margin. This means that you must generate additional funds in order to offer promotional special prices on parts.

When possible, pricing parts at a 65% margin will generate the funds needed to offer promotional special prices on parts sales.

The following are additional considerations when developing pricing for promotional specials:

- Begin by setting a goal for each promotion:
 - Produce more traffic?
 - Increase sales overall?
 - Lost leader for higher priced jobs?
 - Launch a new service specialty?
 - Stimulate a slumping area?
 - Establish or strengthen your reputation in a specific service category?
 - Pull back customers from a competitor?
 - Develop more customer loyalty?
 - Start a second shift?

Your goal for the promotion is the foundation for what you offer and how it is priced and positioned. You may well have different goals for different seasonal promotions.

- Position your shop the way you want it to be known:
 - A price house? — *“We have the lowest prices in town.”*
 - Technically advanced? — *“All of our technicians have the most up-to-date training in all areas of vehicle repair.”*
 - A quality shop? — *“We use only top of the line parts.”*
 - A “me too” shop? — *“We can match whatever anyone else in town offers.”*
 - Caring people? — *“We won’t stop until your needs are met.”*
- Only select specials that fit both your goal and your position for the promotion.
- DO NOT offer specials on labor; only parts.
- Use the CCFs to legitimately sell additional work needed that has the full (60% or higher) parts margin.
- Shop your competition
 - Price shop specific jobs by telephone.
 - Shop your competition in job areas that are important to you on a regular basis.
 - Visually shop your competition by taking a vehicle in for service if they don’t know you, or by driving by at various times — to see their strengths and weaknesses.
- Be seasonally appropriate with what you offer and at what price.
- Offer services with the lowest cost and highest profit margin.

A Pricing Worksheet for quarterly specials is on the next page.

Specials Pricing Worksheet

JANUARY - MARCH	Cost	Regular Price	Competitors' Selling Price			Special Price
Product / Service			#1 Name	#2 Name	#3 Name	
APRIL - JUNE	Cost	Regular Price	Competitors' Selling Price			Special Price
Product / Service			#1 Name	#2 Name	#3 Name	
JULY - SEPTEMBER	Cost	Regular Price	Competitors' Selling Price			Special Price
Product / Service			#1 Name	#2 Name	#3 Name	
OCTOBER - DECEMBER	Cost	Regular Price	Competitors' Selling Price			Special Price
Product / Service			#1 Name	#2 Name	#3 Name	

Promotional Programs to Generate New Customers

Generating new customers is a never-ending task. With 4% - 9% of your customers leaving every year, you need to constantly work to bring in new customers. Remember that it takes three new customers to make the same profit that you make from one good, existing customer. That's 12% - 27% of your customer base in new customers needed each year.

If you have 700 customers, you will lose an average of 28 to 63 customers each year. You will need to generate 84 to 189 new customers each year to replace the profit you made from the customers you lost.

Many service center owners say they don't need to add new customers because they're already backed up trying to serve the customers they have. While being backed up today may be true, the question is, "Will it be true in a few months?" By the time these owners discover that their shop flow-through has slowed down, they may have already dropped a substantial number of customers. The gap between when they realize their business has slowed and the time it can take to generate new customers can create a "profitability hardship" on the shop.

Other service center owners downplay the need for new customers because their low shop productivity gives them the false impression that they have more than enough customers. These shops will invariably have a low shop efficiency rate (hours billed as a percentage of total billable hours available). Unless your service center's efficiency rate is 80% or higher, you do not have all the customers you need.

The following is one new customer program that can help you maintain the level of customers you need to sustain profitability. **Additional programs will following in the next issue of *Learn to Earn*.**

QUARTERLY SPECIALS PROGRAM

At the beginning of each calendar quarter or beginning of a new season in your market area, a flyer is distributed that offers 2 to 4 specials that will be good for 90 days or the length of the particular season being promoted. The Quarterly Specials Program is designed to:

- Increase traffic during each season.
- Pull business away from your competitors at times when customers are more apt to bring their vehicles in for seasonal services.
- Stimulate business for your lower cost / higher profit jobs.
- Legitimately sell additional work needed when used in conjunction with the CCFs.
- Provide customers with a menu of your services so they know what they can come to you for. (Many shops lose valuable jobs because their customers don't know all the types of work they perform or services that are available.)
- Keep your shop's name in front of your customers.
- For those who have gas pumps, to move customers from your pumps to your bays.

How the Program Works

1. Potential products are selected that fit with the coming season. They should fit one or more of the following criteria:
 - Very popular with the public during the applicable season (i.e., *Free ice scraper/snow removal brush with each radiator flush and fill*).
 - Low cost, high gross margin services or products (can reduce price and still maintain 50% gross margin on parts).
 - Part of a system that can generate full price additional work needed (i.e., brake pads).
 - Will generate a high traffic count (increasing likelihood new customers will return for future services).

2. Using the *Specials Pricing Worksheet*, perform a competitive analysis on the prices of potential products at your top three competitors (along with tracking any items your competitors sold as specials last year — especially those that pulled business away from your shop).
3. Either two, three or four products are selected for the quarterly/seasonal specials (see flyer sample on the right). When only two or three specials are used, the remaining space can be used to:
 - Remind customers of regular services you want to promote.
 - A menu of your ongoing services (with items that are tied to your specials highlighted).
 - Special information or messages you want to communicate to customers.
4. Once services, products and messages have been selected, determine if you will include photographs or illustrations of the special's products (secure from manufacturers or other sources). You can then have your flyers produced by the same printer who produced your company brochure.
5. Distribute flyers in one or more of the following ways:
 - Mail to all customers on your mailing list.
 - Buy a mailing list to mail to every residence within a specified radius of your shop.
 - Hand out to every customer who comes in for service.
 - Place an advertisement or an insert in your local or neighborhood newspaper.
 - Have high school kids deliver door-to-door in your neighborhood.
 - Leave in "take one" or "community bulletin board" areas of grocery stores, laundromats, and other stores.
 - For those with gas pumps, the cashier hands them out to each customer who buys gas.

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Business Improvement Assignment

Using the Customer Service Telephone Follow-up Response Form on Page 3, initially conduct a Telephone Follow-up Program with 10% of your jobs. After 30 days, increase to 25% of your jobs. Within 90 days, you need to be calling on every job.

Using the Specials Pricing Worksheet on Page 5, set goals for a specials promotion to be offered within the next 90 days. Be sure to compare prices on the items you select with your three primary competitors.

After setting your goals and comparing specials products and/or services with your top three competitors, use the example flyer above as a template for your printer in developing the specials promotion.

Review Quiz

Answers to quiz at the bottom of this page.

Volume 4, Segment 4

□

Circle Your Answers

1. The service advisor, shop manager or owner should never make telephone follow-up calls – only a neutral person.
A) True
B) False
2. Your profit allocation for advertising pays for the creation, production and circulation of your marketing materials, not for the cost of special prices on parts offered in those materials.
A) True
B) False
3. Specials should cover both labor and parts.
A) True
B) False
4. The percentage of customers you will lose every year is:
A) 1% - 5%.
B) 4% - 9%
C) 7% -12%
5. The number of products to include in your quarterly/seasonal specials promotion is.
A) 1 - 2
B) 4 - 8
C) 2 - 4

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.