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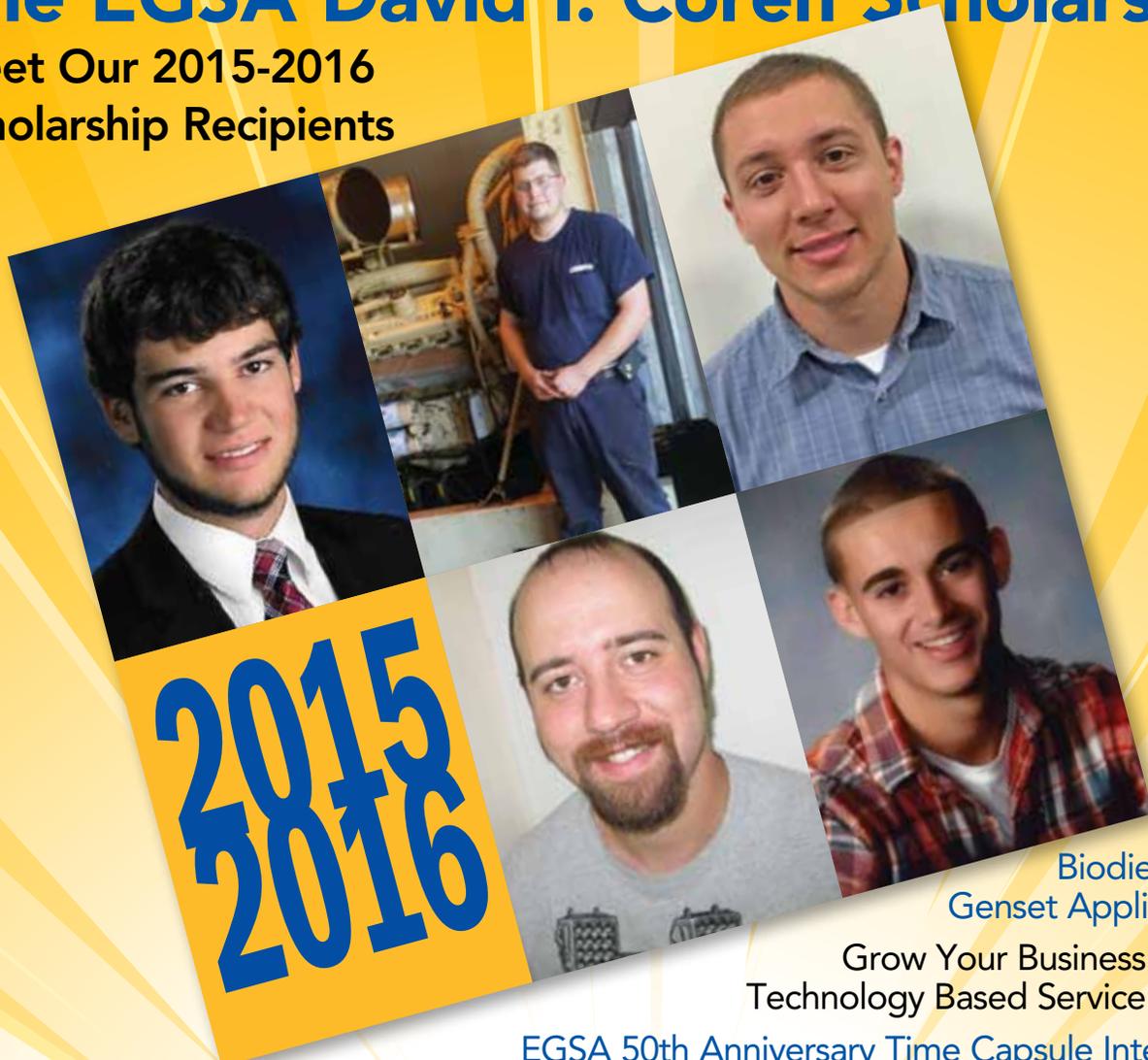


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Grow Your Business with a Technology Based Service Model

By Andy Briggs, President, Power Telematics, Inc.

Let's face it; the power systems industry is changing...and that is not necessarily a bad thing. As with most things in our lives, we must adapt and adjust to changing trends, circumstances and events, as well as changing technology.

The service component of your company is (or should be) the most profitable segment of your business. Therefore, it is imperative to focus on growing this segment of your business. Deliberate and thoughtful planning for service growth is vital to long term strength and profitability. However, there are inherent challenges that we face in our industry and within our own companies that will limit growth if we do not plan accordingly. The traditional service models that have served our industry for many years simply cannot be sustained long term. Today, service organizations must consider implementing technology strategies in order to remain competitive and relevant, to retain customers, to add new customers, to improve profitability and to grow.

Our Industry's Dilemma: Technicians

The power systems industry faces certain challenges when it comes to providing excellent service to customers. One of the key challenges we face is the shortage of qualified technicians. We simply need more technicians. However, there are not enough technicians entering the profession to keep pace with the growing number of power systems being deployed each year. I have always held technicians in our field in very high regard. They have to be proficient at engines, electricity, electronics and fuel systems and perform this highly skilled job in some of the most adverse conditions. Occasionally you can find a young person that can be "groomed" into a good tech. However, the most common strategy for a service organization to add

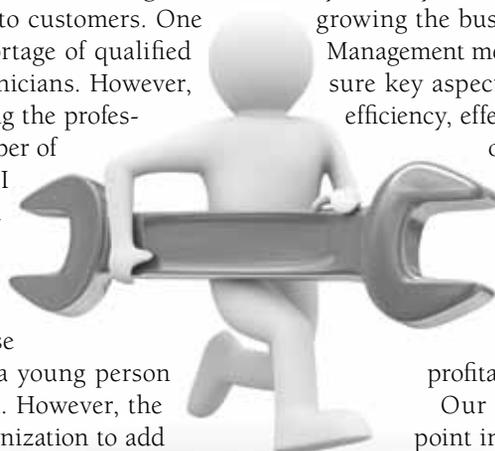
new technicians has been to lure them away from a competitor, which can be costly and often comes with added "baggage". While we are collectively looking for ways to get people interested in becoming professional power systems technicians, this industry problem will not go away any time soon.

Operational Challenges

Having owned a successful generator distributorship, I understand firsthand the challenges we face with operating a profitable service company. The service component of the business was indeed the most profitable segment of our business from a gross profit contribution perspective. However, it was probably the most management intensive and challenging segment of the business as well.

Finding and keeping good technicians is always a challenge. Some of the other challenges included managing and staffing the right personnel, managing a fleet of trucks, attempting to maximize profits while staying competitive, managing parts inventory, meeting (and exceeding) customer expectations 24 hours a day – 7 days a week, adding new service agreements, and growing the business. As a longtime follower of the Curry Management metrics on service management, I would measure key aspects of the operation including productivity, efficiency, effective billing rate, and vehicle expense. The operational challenges we all face within our service organizations are fairly easy to understand, but often difficult to achieve and maximize. Running a service organization is certainly not for the faint of heart. However, those companies who run a solid service operation are the strongest and most profitable businesses in our industry.

Our industry is changing and there comes a point in time where we simply cannot continue to



operate our service companies the same way we have, if we expect to grow and remain competitive. We must find better ways to deliver a higher level of responsive service to our end user customers and serve more customers with the labor force that is available. What that means is that service organizations that want to grow MUST strategically plan to implement tools and technology in order to serve more customers.

What's the Solution?

Service companies must compete every day to add new customers and to retain the ones we have. It has become more and more challenging to deliver the high level of service that we want to provide (and that our end user customers expect) while trying to maximize our profitability. In order to grow and to improve our profitability, we must take a holistic view of our business, the markets we serve and how we can strategically plan for service growth. Companies who do not take action today to prepare for growth will eventually find their market share and profits eroding.

Implementing Technology to Better Serve Customers Must be a Key Part of a Strategic Growth Plan.

Phrases such as IOT (Internet of Things) and M2M (Machine to Machine) are becoming more and more common in our conversations and in our business plans. Michael E. Porter, Harvard Business School professor and James Heppelmann, President and CEO of PTC published an article in the Harvard Business Review (November 2014) titled "How Smart, Connected Products are Changing Competition." The article illustrates the changing landscape of equipment and machinery service and describes the inevitable trend of how service will be provided in the future. These trends are real and are happening.

The day will come when we are remotely connected to all vehicles, stationary generators, mobile generators and all other equipment that we service and maintain. Those who embrace this fact now and include technology in their growth plans will emerge as the leaders of tomorrow. Those who do not, may very well be out of business.

Implementing remote communications technology (telemetry) into your service program will derive significant benefits including:

Improved Equipment Reliability

The definition of reliability in our business is simply this: the power goes out and the generator works! The generator is a critical piece of equipment that absolutely MUST work when needed. Ask yourself this:

- Are you certain that the generators you maintain will work when the power goes out?
- What are the consequences and repercussions to you and your end user customers if they don't?

There is no easier way to retain a loyal customer than to have the generator perform as it is supposed to when the power goes out. Conversely, there is no faster way to lose a customer if the generator fails.

We all know that inspecting a generator more often increases the reliability and the likelihood of finding and resolving a problem before the next power outage. Inspecting a generator quarterly or even monthly improves reliability. Monitoring a generator 24/7 exponentially increases that reliability and the chance of addressing a problem BEFORE the next power outage. At the end of the day, the service company and the brand are judged by the definition of reliability, did the generator work when it was supposed to? Remotely monitoring a generator allows you to know with confidence that the generator system will work when needed, it improves the overall reliability, and reduces those calls in the middle of the night that the power is out and the generator did not work.

Provide a Higher Level of Service

Are you offering your end user customers the highest level of service possible? If not, you had better look out because your competition will. Customers expect (and deserve) excellent service and if you are not providing it, someone else will.



Monitoring a generator 24/7 is indeed providing a higher level of service than looking at it quarterly or even monthly. This not only provides a higher level of service to the end user customer, but provides the service company many benefits as well. When an alert occurs, the service company is able to provide fast, proactive (not reactive) response to equipment problems. You are calling the customer letting them know you are on top of the situation, not the customer calling you stating: “My generator is in alarm and I need someone out here right away.” Additionally, if you know the condition in advance, you are more likely to know what the problem may be before you dispatch the technician. This allows you to take the appropriate parts, fix the problem in one visit, maximize the service technician’s time and make the customer very happy.

Retain Happy and Loyal Customers

We all want to say that we have “happy and satisfied customers” and we hope that they are “loyal” to us. Are your customers truly “loyal” to you? Satisfied customers will drop you in a minute, loyal customers won’t.

When you provide the highest level of service possible and their equipment performs as it should, customers WILL be loyal to you. Quite frankly, they can’t afford to take a chance on another service provider if you are providing a superior level of service and their emergency power system works. Your customers will be loyal to you and a *Loyal Customer* is the goal.

- Loyal Customers say ‘yes’ to recommended repairs
- Loyal Customers stay with you through the life cycle of the equipment, allowing you to capture the routine services of batteries, block heaters, load bank testing and other repairs
- Loyal Customers are your advocate and provide testimonials and referrals
- Loyal Customers are more willing to forgive mistakes

Stand Out from Your Competition

Differentiate yourself from the competition. Why should a customer do business with you? Is it because you are the authorized distributor or dealer for the brand? Is it because you have better technicians? Is it because you believe you offer better service?

Whatever your belief is (for why customers buy from you) always continue to find ways to improve and stand out from your competitors. Utilizing cutting edge technology in your service organization or incorporating it into your new generator sales can certainly differentiate you from your competition. Are you better than your competitors?

Improve Internal Efficiency & Productivity

High efficiency and productivity rates are fundamental measurements in a profitable service organization. These are also two of the key aspects of your service business that you can control. Improve these and your profitability will grow considerably.

Efficiency and productivity are achieved through better service management and better routing and scheduling. By knowing which units have problems in advance, you are able to more effectively route and schedule the repairs.

Reduce Unbillable Service Trips

How often do you dispatch a technician to a site from a customer calling and stating “the generator doesn’t work,” only to find there is nothing wrong with the unit? It is often a contentious situation with the customer if you have to send them an invoice. Remotely monitoring the generator greatly reduces and even eliminates most of these types of calls.

Reduce Vehicle Expenses

Better routing and scheduling will help reduce vehicle expenses. However, the most significant opportunity to gain better control of vehicle expenses is to implement vehicle tracking. What gets measured gets improved. Monitoring vehicle usage, driver behavior, idling, speeding, travel time and after-hours usage will make significant improvements in your overall vehicle expenses. In addition, if you are not currently tracking your service vehicles, call your insurance broker today. Most companies receive a large enough reduction in their auto insurance premiums to more than offset the cost of implementing this tool.

Validation of Service

Professionally run service organizations utilize GPS tracking for their service fleet, either tracking the vehicle or the technician location (smartphone app). This not only provides internal benefits to the company, but also provides validation to the customer when or if a dispute arises on a time and material invoice. When you have electronic “proof” that the technician was on site for the time invoiced, the issue is usually resolved quickly.

Communicate with Your Customers

How many of your customers today ask you to send them an email every week letting them know how their generator is doing? How many of your customers require operational reports on their equipment? Implementing technology allows you to automate a lot of these processes and provides you with the ability to communicate with your customers every week. This includes equipment status reports, activity reports, engine run reports, etc. In addition, most technology user platforms provide you with the ability to send marketing emails and other information directly to your customers.

Increase Revenue

Simply stated, you must find a way to serve more customers. If you are not growing (adding new service customers), you are on a path of decay and decline. Implementing technology to allow you to serve more customers is the most effective way to rapidly increase your service business without having to hire new technicians in direct proportion to the number of service customers you gain. As a result, your revenue, gross profit and net profit will increase. The objective is to maximize the revenue per technician and service more units per technician while growing your customer base.

Grow the Bottom Line

Improved bottom line profitability of your service business is realized when you implement fundamental technology solutions in your service operations. The more you maximize and optimize the above benefits, the more bottom line grows. Companies that are currently embarking on these technology changes are realizing that the revenue and profit benefits are far outweighing the cost of implementing the technology.

What's In It for the End User Customer?

While the primary focus of this article has been on the benefits to the service organization, providing better service to the end user customer and higher system reliability is really the ultimate goal and benefit. Remember our definition of reliability? What would happen if the generator did not work in an outage situation? The consequences could be quite severe!



The implementation of remote monitoring technology has many additional benefits for the end user customer.

- Most importantly - Improved reliability and peace of mind - Know with confidence the system will work when needed
- Confidence in their equipment, the brand and their service company
- Instant alarm notifications via email, text and/or voice call
- Fast, proactive service response to problems minimizing down time
- Access to Data - Reporting with time & date stamped event history
- Weekly and/or monthly automated activity reports
- Remotely monitoring a generator actually helps decrease the overall cost of ownership. This may seem contradictory. However, small problems can be fixed before they become big problems, thereby reducing major repair costs. The most significant cost to the owner is if the generator does not work during a power outage!

Is it time to transform your business model?

Hopefully your mental wheels are turning and thinking about the macro view of your service business. Where will your business be in the next five years, ten years? What will it look like?

Technology solutions are fundamental to the growth and success of service organizations. The day will come when we are remotely connected to all vehicles, stationary generators, mobile generators and all other equipment that we service and maintain. Those who embrace this fact now and include technology in their growth plans will be the market leaders of tomorrow. Those who do not may very well be out of business. ■

About the Author

Andy Briggs – President of Power Telematics, Inc.

Andy has three decades of power systems industry experience including extensive knowledge in executive level leadership, sales and business operations. He has held senior level positions with several leading generator distributorships including Vice President of Nixon Power Services Company. In 2003, he founded Pro Power Solutions, the distributor for Generac Power Systems in Georgia. The company quickly became a very successful multi-million dollar enterprise and received many awards including recognition by Generac as Dealer of the Year. In 2007, the Metro Atlanta Chamber of Commerce and the Atlanta Business Chronicle recognized Andy as one of the “Top 5 Small Business Leaders in Atlanta”.

After selling his company in 2010, Andy founded Briggs Consultants providing consulting, coaching, training and business development services to companies in the power systems industry. In 2013, Andy joined John Maxwell’s mentorship program and is a Certified John Maxwell Team Coach, Trainer and Speaker. Andy is also an experienced implementer of The Entrepreneurial Operating System, developed by Gino Wickman, to help small to mid-sized businesses grow and to become more profitable.

Throughout his career, Andy has been at the forefront of industry trends. These industry trends are what drove Andy to found Power Telematics. “Our industry is changing and companies in our profession need to recognize these changing trends and embrace them in order to be successful and grow.” Andy has assembled a growing team of experienced industry professionals at Power Telematics, dedicated to providing tools, services, solutions, and resources to help customers build better businesses and to position them for significant growth and profitability. For more information, please visit www.powertelematics.com.

