

Fix-Right Repair[®]



User Guide

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WHAT IS FLAT RATE REPAIR PRICING?

Flat rate repair pricing is the term retail residential HVAC contractors use to describe providing for a specific repair a fixed upfront price to the customer. To the customer it is a “Up-Front Price” which means the price you quote upfront before you do the work is the price the customer pays. The customer will always know the total investment for the work before any work is done. Naturally, the customer loves this type of pricing because the customer can budget the work to a fixed dollar with no surprises.

Many residential HVAC contractors still charge by the hour which on the surface may seem less expensive to you. Unfortunately, the most customers typically view paid-by-the-hour work as a rip-off.

The problem with paid-by-the-hour work is that the customer never really knows until the work is done what his/her final price will be. This makes him/her anxious during the duration of the service call because of the fear of possibly getting that big surprise at the end of the job. Why? The customer also knows that some HVAC contractors are fast, and some are slow. The customer tends to feel it is unfair to be penalized for a slow technician. In fact, studies show that it is only human nature to feel all technicians are slow if it is hourly billing. Unfortunately, this causes unnecessary stress on the service technician.

WHY FLAT RATE PRICING IS BETTER THAN TIME & MATERIAL PRICING?

1. Flat rate enables a service business to charge a labor rate that recovers service department overheads to be profitable without alienating your customer.
2. Flat-rate pricing makes your company and your technicians appear more professional.
3. It demonstrates you have the experience with the type of problem your customer has because it is described and priced in a flat rate guide.
4. When you quote out of the flat rate guide, the math is already done, the proper spelling is right in front of you, and the customer is assured that they are paying the same price as everyone else.
5. Improves Customer Satisfaction:
6. Happier customers, due to higher service call professionalism.
7. Improves collections due to upfront pricing approval.
8. Helps eliminate “the price is too high” complaint.
9. Our Fix-Right price guide helps systematically sell service agreements by communicating to customer the value of service agreements to prevent future repairs.
10. Promotes the value of service agreements by offering a discount option off repair price.

WHY FIX-RIGHT FLAT RATE PRICING IS NEEDED?

7 out of 10 contractors do not use proper repair upfront pricing due to:

1. The high administrative cost of maintaining and updating costs in their price guide for each of the many thousands of repair tasks or system enhancement types.
2. Poor business/pricing understanding.

3. Not feeling comfortable or proficient enough with computers to install, navigate databases, or modify to meet their everchanging pricing requirements.
4. Some contractors say that they have created their own flat rate price guide. Unfortunately, most of these make-my-own-price-guides tend to “under prices” the contractors work because they don’t understand how to capture non-billable time or how to allocate the true costs to operate a service department within their service pricing.

WHY WE ARE THE LOWEST COST OPTION IN TIME AND MONEY?

Most other flat rate programs:

1. Is very user complex, requiring computer skills and business sophistication?
2. Must be maintained by the contractor at a high administration time cost.
3. Tend to be very pricey at up to 35 times higher than our flat rate option.
4. The typical per guide monthly fee tends to be much higher than our flat rate option.

Our Flat rate price guides require:

1. Simple set-up worksheet requiring only a minimum of 4 price data points— (1) company & address, (2) labor cost, and (3) parts/material sales tax rate, and (4) service e agreement discount rate.
2. No cost updating maintenance - we maintain the guide for you.
3. A small annual investment which is typically recoverable on your very first service call.
4. Your price guides are provided as an Acrobat Reader PDF file email download, which you can then print out in as many guides as needed.

HOW DO YOU IMPORT THE FIX-RIGHT DATA INTO ACCOUNTING OR DISPATCHING SOFTWARE?

Integrating your *Fix-Right Repair Guide* with your accounting and/or dispatching software can streamline your activity in the office. We can provide a data table that is compatible with most software. Do you want to request this feature? Here’s how:

1. Do you only subscribe to a single Fix-Right or Home Comfort Price Guide and only get the guide in a PDF file? **Obtain the upload file simply by upgrading to the 3 Price Guide Set.**
2. Do you subscribe to Ready-Built HVAC programs that include a 3 Price Guide Set? **Obtain the upload file for no additional cost simply by executing a separate Agreement.**
3. Do you subscribe to the 3 Price Guide set, but your Set-up & Order Entry Form does not have the wording “*with CSV Upload*” at the top? **Obtain the upload file for no additional cost simply by executing a separate Agreement.**
4. Do you subscribe to the 3 Price Guide set, and your Set-up & Order Entry Form already has the wording “*with CSV Upload*” at the top? **Obtain the upload file for no additional cost simply by requesting it.**

HOW THE FIX-RIGHT PRICE GUIDE IS MADE?

1. The Fix-Right price guide uses industry average repair tasking time standards as well as typical parts costs incurred for each repair task. The material and parts costs data bases are updated continuously on your behalf by our wholesale HVAC distributor partners.
2. We also use industry recommended parts price markups which, may be customized based on your own actual financial performance requirements.
3. All you need to do is provide us YOUR company name and address, actual labor cost rates, state sales tax rates, and the desired service agreement discount to quickly obtain a price guide for your company.
4. The price guide includes 99.9% of all service repair tasking. However, should a task not be found, or you need to travel to obtain parts and materials, you can use the miscellaneous price page. This page is set up to handle repair materials in increments of \$25 in parts/material cost and labor tasking or travel hours in increments of 1/2 hour.
5. See appendix A this user guide example Fix-Right price guide sections and page layouts explanations.
6. This flat rate price guide is presently being used by hundreds of retail residential and commercial service contractors. The only caution I would give to new users is to not to try to reinvent the wheel, regarding making changes. However, if you feel you would like to make changes or to add new tasking item to a section, you may do so using your printed guide to write in the task description labor hours and material costs and scan and attach to email back to your coach, or fax it back with the marked-up price page to 603-386-6036 for updating.
7. We allow minor changes up to 20 text changes or added new tasks to a section at no additional cost. Above 20 tasking item changes/adds, your company will be assessed a fee of \$75 for each hour required to update your price guide. This added fee will be quoted separately prior to performing work. It will be sent to your email address for approval along with a credit card authorization form.

HOW DO YOU IMPORT THE HOME COMFORT DATA INTO ACCOUNTING OR DISPATCHING SOFTWARE?

Integrating your Home Comfort Certified System with your accounting and/or dispatching software can streamline your activity in the office. We can provide a data table that is compatible with most software. Do you want to request this feature? Here's how:

5. Do you only subscribe to a single Home Comfort Price Guide? **Obtain the upload file simply by upgrading to the 3 Price Guide Set.**
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WHY IS OUR SYSTEM THE LOWEST COST OPTION IN TIME AND MONEY?

Most other flat rate programs:

1. Are too complex for the user requiring computer skills and business sophistication.
2. Must be maintained by the contractor at a high administrative time cost.
3. Have monthly fees that tend to be much higher than our flat rate option.

On the other hand, our flat rate price guide requires:

1. A simple set-up worksheet.
2. No database maintenance; we maintain the guide for you.
3. A small investment which is typically recovered on your very first sales call.
4. No software aside from any PDF document reader.

You should allow up to 5 business days for guide update completion upon BSI receipt of your authorization to proceed. Our flat rate price guides integrate into our best-practice retail residential and commercial service department training tracks—sold separately. These two departments include a professional service and sales call handling process, scripts, and associated forms, as well as, written department work delivery standards.

HOW TO USE THE FLAT RATE PRICE GUIDE?

We will begin making the following best practice step-by-step service call assumptions that the technician would perform on a service repair call. The service call steps that are bolded is where and how the Fix-Right Residential Repair Price Guide would be used. **Note:** For more detail on our best-of-the-best practice service call steps, see our Professional Service Call Handling Process, forms and flat rate invoices included in our retail residential and commercial service department business systems located on our on-line training center at www.GrowMyHVAC.com.

The service call handling training includes:

1. Preparing for the call – this involves making the right impression by taking pride in your personal appearance, having the right “do the right thing” attitude, having a fully stocked clean truck, tools, extra shirts, shoe covers, breath mints, company call handling handouts and forms, and identifying the service call purpose.
2. Arriving to the call - this involves proper parking the service vehicle and checking appearance, breath mints, and properly approaching the customers’ home.
3. Greeting the customer - includes how to properly knock on door, handshake, verify purpose of call, method of payment and present business card.
4. Interviewing the customer – the technician interviews the customer using the Service–Right Solutions Survey to verify the dispatcher got it right as well as to enable the Technician to learn about the customer, the problem at hand and other areas in the home that may present opportunities as well as explain the value of a service agreement.
5. Setting the Customer Expectation – the technician explains the diagnostic or service procedures via our Service-Right Brochure or similar call form, set the call time expectations, and asks the customer to show him the problem or obtains permission for access to the home’s system, and invites the customer to tag along.

6. Diagnosing—the flat rate guide includes all the labor tasking hours required to perform repairs once you are at the equipment. However, you must get to the customer site and diagnose the problem and associated solution prior to providing an upfront price to make the repair. Most contractors use a Diagnostic Fee which is typically 50% of your flat rate price guide hourly rate. This is provided to you on the very last page of the price guide which also includes the set-up data you used for your price guide. This page is removed prior to providing to your technician.
7. Itemizing the repair price—Locate the repair tasking solution in the Fix-Right Repair Guide.
8. Filling out invoice—Take out a flat rate invoice and fills out the repair tasks. Make sure to professionalize by using the descriptions right out of the Fix-Right Repair Price Guide. Avoid unnecessary price complaints: The only thing worse than misspelling and poor handwriting is no words and no handwriting.
9. Miscellaneous & unclassified pricing table - This worksheet enables you to quickly identify a quoted system fix price and where you know the total labor hours and materials cost to complete resulting in pricing quoted work at the same rates as your price guide financial set-up.
10. Identifying if best to repair or replace—If using our retail residential service department process, identify on the Repair or Replace Financial Decision Chart if total repair price is greater than 40% of the cost to replace to help the customer make an informed repair or replace decision.
11. Identifying time to completion—Identifies the timetable for the repair.
12. Informing the customer of diagnosis - If a repair call, the technician uses the Fix-Right Price Guide to explain problem reason for failure, recommended solution, price, and explains if using our process, the Repair or Replace Financial Decision Chart.
13. Offering a single discount off today's work—The technician uses the Fix-Right Price Guide to explain and offer the customer a discount off today's work option, if they choose to be a service agreement customer. If customer declines, then technician asks the customer to initial on our invoice the discount decline.
14. Obtaining authorization to proceed—Gets customer authorization to proceed with repairs or replacement.
15. Executing the repair, tune-up, or service - the Technician/Tune-up Specialist completes the technical repairs, tune-up, or service, and verifies service ticket pricing is complete with all authorized work.
16. Debriefing customer - the Technician/Tune-up Specialist reviews with the customer the repair, tune-up, or service on the flat rate invoice or wireless input device from a customer benefits perspective. If they are not a service agreement customer, then offer the customer the discount again if they join today. If service agreement accepted, verify reduced price per Fix-Right Repair Guide preferred rates. If not accepted, then have customer initial declined and gets the customer's signature.
17. Call completion - the Technician then collects payment, processes the paperwork or transmits the wireless data, and explains how referral coupons work for the customer's friends and neighbors. He should also introduce the customer response card which is part of the residential Ready-Built HVAC Program flat rate service ticket. He thanks the customer and returns to his vehicle to distribute door hangers in the neighborhood. He has a debriefing with the dispatcher and gets his next call.
18. Posting Service Call Close Out - If call is complete, dispatcher enters on Customer Care Call Form.
19. Calling customer to advise of return visit response time - If the repair or maintenance inspection work requires a return visit to complete, place service call back on dispatch board to be scheduled along with estimated hours to complete. Technician/Dispatcher and homeowner set the date and

time for return visit and enter on Customer Care Call Form.

20. Happy call to the customer - to follow up on the service just completed. The company should follow up on any customer response card with ratings less than 8 on a 10-point scale.

FLAT RATE PRICE GUIDE SET-UP

1. Contractor Information: Fill in the complete name, address and phone, as you want it to appear on the front page of your flat rate guide.
2. Labor cost hour rate: Put in the actual hourly rate of your highest paid technician without benefits.
3. Benefits & Insurance % of Labor Cost Hour rate: We use industry standards and not needed to obtain guide. However, if known, use the percentage that these costs represent in relation to the hourly rate from the labor cost above. Example \$24.00/hour divided by \$6.00 fringes=25%.
4. Labor Efficiency % of Labor Cost Hour Rate: We use industry standards and not needed to obtain guide. However, if known, use the total hours billed by a technician divided by the total hours paid to him. Example: paid 40 hours, billed 20 hours = 50% billable efficiency.
5. Truck \$ dollar Cost Per Hour Rate: We use industry standards and not needed to obtain guide. However, if known, use the cost of ownership, not operation. This can be calculated by dividing the cost of acquisition by the number of years you intend to keep the vehicle in service. Divide that number by 2080 hours and divide that by your efficiency factor.
6. Labor % Gross Margin (%OH+%Net Profit) Rate: We use industry standards and not needed to obtain guide. However, if known, use what you must make over and above your direct cost, to cover all overhead and profit.
7. State Parts/Material % Sales Tax Rate: This is the local sales tax rate.
8. Parts Mark Up Multiplier Rates: There are 6 industry standards parts cost multipliers and changes are not needed to obtain your guide. These are the multiples of your parts cost that the part should be marked up when calculating your "Upfront" flat rate repair sell price.
9. Service Agreement Priority Discount: Industry standard is 15% discount off today's work and provides discount normal and overtime rates for each repair task. You may use any discount % off you wish.

IMPORTANT NOTICE:

1. We produce the Fix-Right Residential Repair Price Guide in an Acrobat .PDF file format. We then send it as a PDF link right to your approved email address. You simply click on Fix-Right file link in blue underline text and OPEN or SAVE the Fix-Right PDF file right on your PC/Laptop. Once downloaded you can print off as many copies as needed.
2. Once you are ready to publish your Fix-Right price guide and where you have subscribed to 3-guide set, you send us an email with subject line to read: We accept the final version of Fix-Right and request an import file for QuickBooks or name of your field management software.
3. If you are experiencing problems opening your Fix-Right file it may be the result of not having an Acrobat Reader program downloaded on your PC/Laptop. To download a free Acrobat Reader, open your web browser and go to www.Acrobat.com and download a free reader.