

Catching The Ghost

Summary:

In this week's episode of the MegaMarketer Coachcast, host Adams Hudson interviews Eric Shidell.

Today's podcast asks the question "are you chasing the ghost?". Learn how to eliminate excessive warranty calls and no money call backs and it's probably not the way you first think.

Eric Shidell gives advanced service training to contractors on his website and specializes in catching the ghosts for his client's business.

Main Questions Asked:

- What do you mean by "tracking the ghost"?
- How do we discover the scope of the problem?
- How do we minimize warranty calls?
- How do you handle this once you know there is an issue?
- Should we create competitive environments?
- What is an average number of call backs?
- How do you put a figure on how much it's worth to solve the problem?

Key Lessons Learned:

Chasing The Ghost

- All of businesses are focusing on attracting new customers, retaining those customers, and increasing sales which is a great focus to have but later on you may find that you are stuck in a realm of diminishing returns.
- Your bottom line may show you that sales are up, or that labor costs are up even more, but it won't show you why.
- Warranty calls and no money callbacks are affecting your bottom line more than they appear to do.

- Warranty calls are generally considered to be a fact of life but the truth is the vast majority of them are completely preventable. They are often unaccounted for correctly and end up looking like just increased labor costs. You must accurately assess the dollar value of a warranty call and how it affects the bottom line.
- If you don't track something, you can't correct it. The first step is to assign a dollar value of every call. There shouldn't be an option for a tech to not complete a service ticket and there should never be a zero sum service ticket coming across the manager's desk.
- The technician should price out every field call, even if they are not collecting from the customer. In the situation of a warranty call, the tech should fill out the service ticket with the accurate value being provided and then subtract it from the price, so the price to the customer is zero.
- It's important to reassure the customer that their issues are incredibly important to your business instead of making a warranty call an unhappy experience for everyone involved. The most positive experience is the negative experience that never has to happen.

Warranty Calls

- Warranty calls have two main sources: manufacturer's defect and human error. Manufacturer's defect are extremely rare.
- 40% of warranty returns are found to be caused by damage done during the installation which is why it's important to know who was the tech involved.
- If you're doing performance tracking, the warranty dollar amount should go against that original job which will reframe the cost you are experiencing.
- There are opportunity costs to warranty costs that are often not seen as well. It's a much bigger dollar amount than most people

realize, anywhere from 1.5 to 2.5 times the original value of the ticket.

- Once you begin tracking, you will begin to see patterns as to who, and where the issues are coming from. There is usually a fundamental aspect of the installation that the field tech doesn't understand.
- You should look at these issues as opportunities for your team to grow and learn.
- Warranty claims under 5% is good measure of success. Anything in the double digits and you've got a problem.

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- Once you identify the issue, you can find training opportunities that your techs will probably be happy to take advantage of.
- Incentivising your techs to become better is the best way to improve them, punitive actions will often reduce overall performance.
- If you want to create a competitive environment, offer rewards that will get them to strive to succeed without making them jealous of other people on the team. The goal is friendly rivalry.
- It's very difficult to solve a problem with the same kind of thinking that got you into it. Understanding the why of what you're doing is how you take things to another level.

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