

# Service Agreements are Essential

In any residential or light commercial business, the road to increased sales with customers starts with a well defined service agreement program. Service agreements give you the opportunity to visit a customer's location at least twice per year, to offer your insights on comfort.

I like to call service agreements, Safety and Efficiency agreements (SEA's) because I think it more closely defines what customers desire. After a unit has been installed in a customer's home or business, they want to be sure it is operating in a safe manner and its energy efficiency is maximized. Many customers know that proper maintenance and cleaning, such as replacing filters, prolongs the life of their unit, increases efficiency, may prevent expensive repairs and gives them a feeling of satisfaction that their system is working well.

To develop a SEA, consider what you need to offer the customer. If you are working in the residential market, you need to offer a fall precision tune-up for heating, a spring precision tune-up for cooling, discounts on service repairs, accessories and equipment, and priority scheduling. This combination of heating and air conditioning services provides the customer with peak performance and the opportunity for your company to discuss comfort options with the customer twice a year. The

more you are in a residential homeowner's house, the better chance you have of developing a relationship, giving them information on new products and services, training them on the proper use of thermostats, and repairing their comfort systems.

SEA's in the residential market should be marketed by mail, office phone, service calls, newspapers, and service techs. In your Flat Rate service book, you should have an SEA column or discount column showing the savings an agreement customer has over someone else. The technician should show this price to every customer to show them their savings by participating in your yearly program. Your office personnel can ask customers over the phone, "Are you a member of our Comfort Club?" Give replacement customers a one year membership in your program, then bill them for renewal. Remember, many customers do not understand why they need such an agreement, so your literature should thoroughly explain the benefits.

On the light commercial side, solicit service business and Precision Tune-Ups. Turn your service calls and PTU's to service agreements. Similar to residential agreements, light commercial agreements include more filter changes and more major tune-ups. The agreement may be written for more than one year, may include some

parts, and usually is billed on a monthly or quarterly basis. Remember, your cost structure for this light commercial agreement may be more because of travel, availability of the units, and extra personnel on the job.

Service agreements are essential to any growing business and should be solicited as much as possible. Your minimum goal should be 25% of your customers on a service agreement and I would like 80%. Service agreements lock the customer to you for future service, replacements, accessories, and precision tune-ups. Also, and it is worth repeating, service agreements give you the opportunity to strengthen your relationship with all your customers.

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