

Workshop Preparation Kit

for the Workshop

“Service Agreements: A Fresh Approach”

A Workshop Facilitated by
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Contents

Recommended Timeline For the Workshop	3
Workshop Description	5
Workshop Objectives	6
Workshop Logistics	7
How To Sell It To Your Dealers	8
Workshop Cost Estimating Sheet	9
Sample Invitation Letter	10
Sample Confirmation Letter	11
Requested Room Layout	12

Recommended Timeline For the Workshop

12 Weeks or More Before Your Workshop

Schedule and book the workshop with Lodestar. (12 weeks is the suggested minimum time to have a reasonable chance of getting the dates you want. On some occasions, it may be possible to book a workshop on a shorter time frame than this, but the earlier you contact Lodestar, the better are your chances of getting the date(s) you want.)

8 Weeks Prior to the Workshop

Notify your territory managers (TMs) of the coming workshop (if you have not already done so).

e-Mail out the invitation memo (a sample is included in this kit).

If you need to order audio-visual equipment, schedule it now. If you have it on hand, skip this step. Equipment needed: computer projector (VGA, SVGA, or XGA) and screen; flip chart with 1 full pad of paper.

If you decide to hold the workshop off-site, make arrangements for a meeting location. If you go off-site, remember to make arrangements for lunch or dinner (depending on when you decide to start your workshop) and early and late refreshment breaks.

2 Weeks Prior to the Workshop

Remind your TMs of the coming workshop.

(Optional: e-Mail the confirmation notice to all who will be attending. See the sample in this kit.)

1 Week Prior to the Workshop

Print any materials from the master material sent to you by Lodestar (if applicable).

1 Day Before the Workshop

- Make sure the room is set up per the attached room set-up diagram.
- Make sure the audio-visual equipment and flip chart are set up and ready to go.
- Make sure the lunch is set.
- Make sure the breaks are set up. You should have coffee/tea on hand when your guests arrive; donuts and fruit are optional. Plan on a mid-morning break (around 10:00 am; refresh the coffee; add soft drinks) and an afternoon break (around 2:30 pm; soft drinks).
- Designate a representative from your distributorship to be present to start the meeting with welcoming comments, etc. (This person is not required to stay beyond the kick-off speech.)

Day of the Workshop

- Make sure your welcomer will be present and has appropriate welcoming comments ready.
- One hour before the meeting starts, make sure the opening refreshments are out and ready and that the caterer is on schedule for the first and second breaks and meal.

1 Week After the Workshop

- You will be receiving the invoice from Lodestar for your workshop.

Workshop Description

For over 30 years, experts have advocated that dealers offer service agreements. Yet today, a shockingly small percentage of them do, and those who do often only “dabble” in the business. Clearly, the “13 great reasons” for doing service agreements have not sold anyone—or service agreements are not as great as we have believed.

This one-day workshop takes a radical and different approach, using service agreements as a vehicle to build a powerful customer-focused company in which every employee is driven by customer delight.

Attendees who may benefit:

Dealer principals, service managers, advanced service techs. (Note: companies with 500 or more agreements will not find this workshop to be very helpful.)

What the Participants will do:

- ★ Learn a powerful new paradigm that can inspire an aggressive service agreement program
- ★ Learn how to write a simple yet powerful service agreement and how to promote it to customers

Deliverables:

Manual (80 pages; printed by distributor), CD-ROM (Word and Excel 2000 files and templates)

Workshop Objectives

1. Describe the value to a company of a strong service agreement program in terms of bottom line dollars and resale value.
2. Identify elements of a strong service agreement form and explain why they are strong.
3. Select strong elements to include in a service agreement of their own.
4. Describe how to price a service agreement so it is competitive yet has a safe margin.
5. Describe how to sell service agreements.
6. Describe how to get customers to renew.

Workshop Logistics

What the Participants need to bring:

1. Last fiscal year's financial statements and the latest financial statements for the current year. If possible, the dealer should have sales broken out by installation and service. Also, if possible, cost of sales should be broken out by installation and service (this includes equipment, materials, parts and supplies, labor, sub contractors, freight and warranty).
2. A pocket calculator.
3. Pens and pencils, and note paper.

What Lodestar will supply:

1. The CD-ROM with Excel 2000 service agreement software.
2. Name tent cards.
3. Sign-in sheet.
4. Software license agreement forms.

What the Distributor should supply:

1. Print off the student workbooks from the PDF master supplied by Lodestar (120 pages).
2. VGA/SVGA/XVGA projector for the instructor's computer; screen; flip chart and two pads of paper. Other items per the Lodestar Engagement Agreement. (Contact Lodestar for a quote.)

How To Sell It To Your Dealers

Lodestar believes strongly in (and teaches) the use of SPIN[®] questions. Therefore, we recommend that this workshop be sold using a series of SPIN[®] questions. The following are offered as possible question sets to use. Feel free to use them or create your own.

Situation:

Do you currently offer service agreements?

How many would you say you have in effect right now?

[If fewer than 500, ask this:] Would you like to sell more than that profitably?

Problem:

Do you ever think that you could be losing replacement sales to contractors who have customers on service agreements?

What would you estimate the average sale you're losing to be worth?

Implication:

If you keep on going the way you are now with service contracts while other dealers grow their programs more aggressively, what do you have to look forward to in the replacement business around here?

Needs Pay-off:

If you could learn easy ways to put together, price and sell service agreements, so that you could sell upwards of 500 a year or more, what could the extra cash do for your business?

Workshop Cost Estimating Sheet

Item	Quantity	Cost Ea	Net Cost	
Facilitation Fee (contact Lodestar)	1	\$3,500	\$3,500	
Travel expenses (estimated; from Lodestar)	1	\$1,000	\$1,000	
Workbooks (printed by distributor)		\$	\$	
Arrival refreshments		\$	\$	
First break		\$	\$	
Meal		\$	\$	
Second break		\$	\$	
Audio-visual: projector/screen	1	\$	\$	
Audio-visual: flip chart/2 pads	1	\$	\$	
Room rental	1	\$	\$	
“Trinkets” you may wish to give away		\$	\$	
Other:		\$	\$	
Total workshop costs			\$	
Less Co-op from Manufacturer			-\$	
Net Cost to Distributor (Costs less co-op)			\$	
Markup to apply to costs				
Total workshop selling price (cost x markup)				\$
Total expected attendance				
Charge per attendee (sell / attendance)				\$

Sample Invitation Letter

Feel free to copy this letter (from Acrobat reader, select the text and Copy it, then Paste it into your word processor document).

In the article, “How Much Is Your Customer Database Worth” which ran in the November 24, 1997 issue of *The ACHR News*, Richard Harshaw, the author, estimated that an undeveloped customer list might be worth about \$0.25 per name, where one that was developed by a strong service agreement program might be worth about \$100 a name (using the 1997 figures and adjusting for inflation since then).

So how much is your database worth? How many names do you have on it? (That is, how many service and sales calls have you made in the last 24 months? *Those* are your true customers!) Now, do you have an aggressive service agreement program? If not, multiply the number of customers by 25 cents. Now, assume you have a good service agreement program and that in five years, your list is worth \$100 per name. Run the calculation—how much did your customer list go up in value?

Is that enough reason to learn a better way to do service agreements? On [date], at [location], we are going to host a workshop titled “Service Agreements: A Fresh Approach.” It will be conducted by Lodestar Consulting’s Richard Harshaw and will last one day.

In that day, you’ll learn some new ways to think about service agreements, and why the new way of thinking is more powerful than the stale old ways. You’ll learn how to word an agreement. And you’ll learn how to price one. Most importantly, you’ll learn important ways to sell them.

So call today and sign up. Space is limited to the first 50 people. After that, we close the enrollment!

If you have questions, please contact [contact name at distributorship]. You can also visit Lodestar’s website for more information on the course (www.lodestarconsultinginc.com).

[signature of distributor executive]

Sample Confirmation Letter

Feel free to copy this letter (from Acrobat reader, select the text and Copy it, then Paste it into your word processor document).

This is a memory jogger to remind you that you are confirmed for _____ seats in our upcoming *Service Agreements: A Fresh Approach* workshop being held on [dates] at [location].

To maximize your learning experience, bring your year-end financial statements from last fiscal year as well as your most recent statements for this year to date. You should also bring a summary of your payroll data for last year and this year to date—total number of employees, how many months each worked, and the total payroll expense for last year. (No one will ask to see any of this data.)

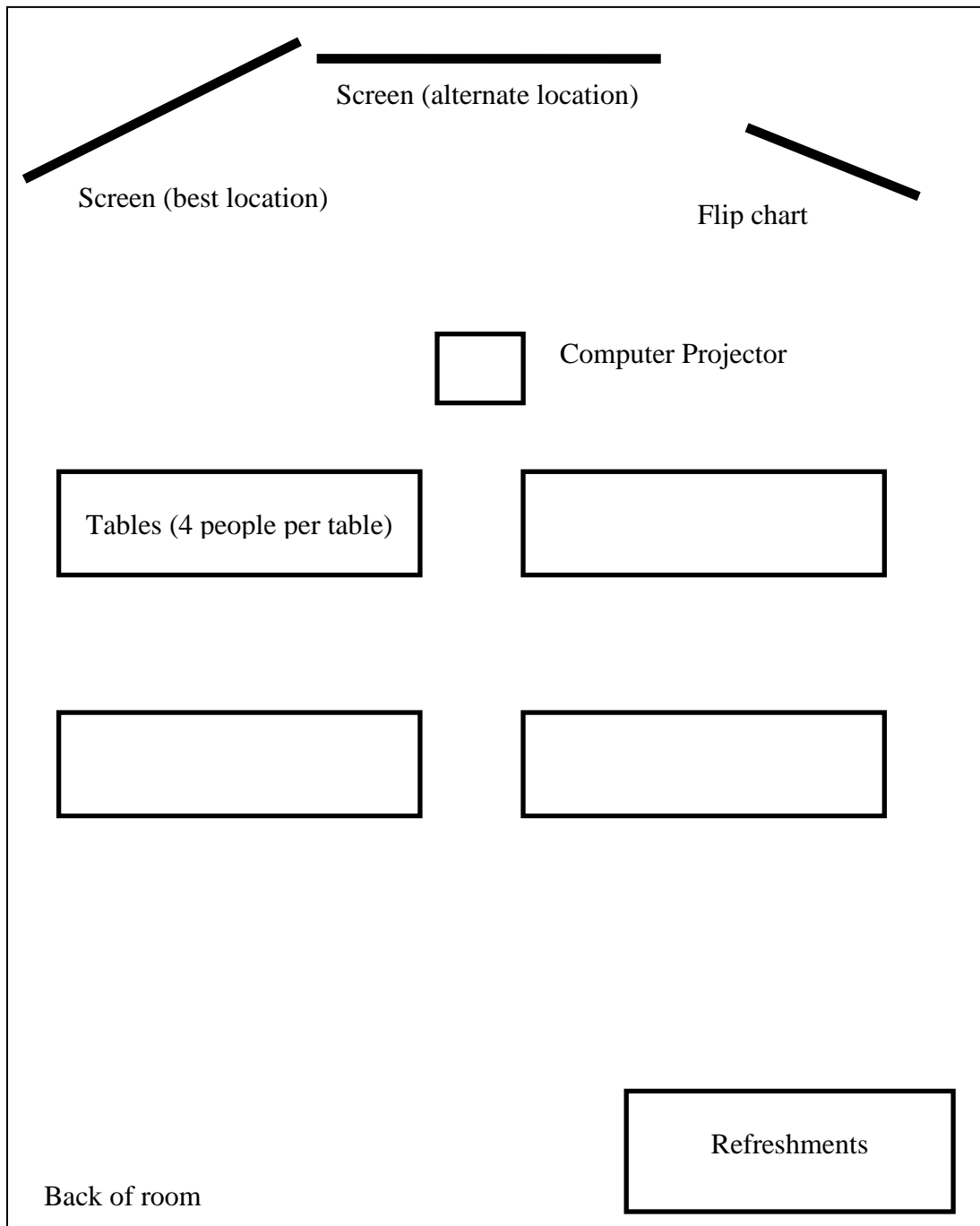
Also bring a pen or pencil, some note paper, a pocket calculator, and a desire to focus intensely on your business for a high-energy, charged day of growth.

See you on the [date]!

[signature of distributor executive]

Requested Room Layout

As much as possible, try to have the workshop room arranged along the following scheme:



If you will be using computers, please be sure to have adequate power arrangements set up.