

# Technicians Selling

Lead Generation & Repair Versus Replace



## Step by Step to Understanding & Implementing The Technician Selling Process



These are all broad questions that apply directly to the Residential HVAC industry when deciding how best to utilize service technicians in the direct to consumer selling process (whether they “sell” a repair, an accessory item, or a system replacement).

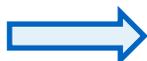
### What Is The Technician Selling Process?

The technician selling process is a defined, trained process which allows your technicians to successfully communicate with your customers and convert their needs or wants into a long-term relationship with your company (whether they repair the system or sell them a replacement).

Since every service company will have technicians in a position of trust and authority with homeowners to recommend a repair, an accessory upgrade or the replacement of their equipment, when this sales opportunity occurs, are your technicians trained to effectively communicate all options to the homeowner/decision maker? When the technician discovers a replacement opportunity...



**Does the technician create a replacement lead and turn it over to sales?**



**Does the technician create a lead and transact the sale?**

A competent, professional looking service technician (well groomed, clean uniform, polite) can easily develop a position of trust and respect with a homeowner. Also, the homeowner's general lack of technical knowledge about HVAC equipment places the technician in position of authority and knowledge (much like a medical doctor) when recommending a repair or replacement.

So, the bottom-line decision for any service company is; should you develop a system and train your technicians to sell replacements or should you have them turn the lead over to a professional salesperson (usually known as a Home Comfort Advisor or HCA)?

## Should Your Company Train Technicians To Sell Equipment?

The simple answer is - Yes! But deciding to turn over technician generated replacement leads to your HCA or allowing your technician to complete the sale is both a business and philosophical decision you must make. Your decision will have an impact on how you develop your replacement selling system, how you develop your marketing and advertising strategy and how you build the operations to support your selling strategy.

- Replacement lead creation and turnover is essential to the success of any residential HVAC company, as replacement sales are the life-blood of a profitable HVAC company. Both during the “busy season” and during “slow periods”, the ability of the technician to identify replacement opportunities is critical to driving profitability. However, to be effective, technicians need to know, and be able to communicate to the customer, the benefits of replacing their equipment on at least a basic level.
- Lead conversion by the service technician into a sale can be an extremely effective way of increasing your closing rate and increasing your average replacement sale. With proper training and understanding beyond a basic knowledge of equipment and accessories, (such as gaining an understanding of people, financing options, personalities, and “package offerings”), a service technician can significantly improve customer satisfaction and the company's profitability.

Both models are very viable and successful – so it's a question of business model choice.

Before you make a choice on which process to follow (technician lead turnover versus technician selling), consider these points:

1. Are your technicians good communicators? Do they enjoy interacting with customers or are they more of a “fix it” personality?
2. Do you have a “star” technician that not only has the ability to troubleshoot service issues, but also is a good communicator? Perhaps a few of your technicians are capable of becoming Selling Service Technicians.

3. Are you willing to invest the time and money it takes to effectively develop a technician selling program and are you prepared to measure the results? Historically, technicians sell at the “low end” and don’t “up sell” to complete solutions (which include accessory items). They need training to develop their communication skills to help homeowners make “informed” decisions from multiple choices.
4. Do you already have a successful, high producing Home Comfort Advisor (HCA)? Does the HCA close at a 50% rate or higher on ALL leads they run (yellow pages, promotional offers and technician generated leads) or are they virtually “order takers”? Do they sell more “high end” solutions at high margins or are they “Basic” system sellers at minimum margins?

Remember, to be successful, **EVERYONE** in the company must be part of “sales”! The Call Taker, the Dispatcher and the Technician are all selling, whether it’s your company “brand”... through excellent, polite, communication with the customer by your office staff... or the actual field technician selling of a repair, and accessory item or an equipment replacement. Sales training and support for the entire staff is necessary so they can execute **GREAT** customer service. Successfully build your “brand” over the long-term which is mandatory during their learning process. The only real question is whether you want technicians to sell equipment or sell the “lead” and turn it over to your HCA.

## What Skills Do Successful Selling Technicians Need To Have/Develop?

These are the selling/communication skills technicians need to practice and roll-play to be better at sales:

### 1. **Ability to ask questions.**

The questioning skills a sales person develops very often makes or breaks the ability to develop trust with the customer and have the customer “like you”. It also allows the customer to “sell themselves” because they’re doing the talking and developing their own commitment to the sale.

### 2. **Ability to listen and keep from talking while also keeping your brain from over-working while listening is critical!**

Listening, and really hearing the genuine desires, wants, and needs of the customer is a skill that virtually all-sales personnel can improve. The ability to listen, and then confirm with the customer that you heard what they were saying, is critical to gaining their confidence and demonstrating you have their best interest at heart in making a replacement recommendation.

### 3. **Ability to relate to people, adapt your personality to the person you’re selling to and let people connect with you.**

The skill of relating to, and connecting with, people is a must. People buy from people they like and trust, and the only way they are going to like you is if you have the skills to make yourself more like them. Learning the four personality types, Analytical, Driver, Expressive, Amiable, and learning how to identify these personalities will help in every selling opportunity.

**4. Ability to recognize situations and solve people related problems.**

Solving problems is about making the correct assessment, and making good decisions. Having the skill to determine the issues, needs and recognizing the opportunity is how top performing sales personnel sell products and services.

**5. Ability to risk fear of failure and ask for the business – and not be afraid to ask for the order!**

Asking for the order at the right time is a way to learn a practiced skill. There are many sales people who are excellent presenters, have fantastic communication skills, yet struggle to ask for the order. If you don't ask, you won't get it!

**6. Ability to communicate effectively.**

Written and oral communication skills allow people to get to know you, and potential customers make assessments about you based on several factors, one of which is how well you can communicate your ideas or relate your ideas to their needs and wants.

## What Are The Steps In The Technician Selling Process?

Once you decide a technician can and/or should sell equipment in the home (or better yet, earns the right to sell equipment), the following list is an example of the defined steps in the technician selling process. These steps make up what is a basic sales process (selling a repair, selling accessory items or selling the replacement) for a company, no matter how large or small.

In building your selling process, define each of these steps in greater detail within your company's sales efforts, and be sure to execute them in a way that meets your company standards of excellence – whatever that standard is.

<b>The 10 Steps in Building a Successful Service or Sales Call Process:</b>	
<b>1</b>	<b>Pre-Call Preparation</b>
<b>2</b>	<b>Arrival</b>
<b>3</b>	<b>The Approach to the Home</b>
<b>4</b>	<b>Initial Customer Contact</b>
<b>5</b>	<b>The Interview</b>
<b>6</b>	<b>Understanding Humans</b>
<b>7</b>	<b>The Plan for the Customer</b>
<b>8</b>	<b>Diagnosis and Options (Repair / Replace)</b>
<b>9</b>	<b>Executing the Repair / Replacement</b>
<b>10</b>	<b>Debriefing &amp; Completion</b>

## How Do You Manage Selling Service Techs To Maximize Results?

When a technician identifies a replacement opportunity, the training they receive and how well they communicate the Repair versus Replace option to the customer will determine whether the company ends up with a \$400 repair or a \$5,000 change out... or worse yet, whether the company loses BOTH the repair and the replacement to a competitor. The conversion of a replacement lead into a sale is so critical to the success of a residential HVAC company, that making the decision to allow service technicians to sell both repairs and replacements is critically important. Here are three ways to “manage” technicians (primarily in executing steps 5-8 in the Technician Selling Process above) to make sure your company is effectively generating replacement leads or effectively selling replacements through the repair versus replace option.

### 1. **Lead turn-over.**

By prioritizing your service and/or maintenance calls so that your best communicating technicians run service calls on equipment over 10+ years old, you give your company the best chance to generate a lead. A general rule of thumb is that a good lead generating technician can convince at least 50% of customers with equipment over 10 years old to consider replacement. The service technician identifies a replacement opportunity and turns the lead over to a Sales Lead Coordinator (someone responsible for taking the customer information and scheduling an appointment with the home owner(s) and the Home Comfort Advisor). If the equipment is not working, the company can decide to temporarily fix it and charge the customer for the repair with the understanding they will receive their repair costs back if the system is replaced. Another option is they can install a temporary “used” (or rental) unit (in the case of an air conditioner or a heat pump, not a furnace) and go back on the sales call later. Or the technician can leave the unit in non-working condition, depending on the weather conditions and the availability of a HCA to meet with the customer in the near future.

### 2. **Bring in a selling service tech for a second opinion.**

A service technician identifies a replacement opportunity and immediately calls in a “Selling Technician” for a “second opinion” to the customer’s home. This can be a legitimate way of seeking a second opinion on an original diagnosis of a cracked heat exchanger or failed compressor, or it can simply be a way for your best trained Selling Technician to take over the selling process from a less sales-capable service technician. Because of the “trust factor” technicians have with homeowners, the “second opinion” process for selling replacements can be a good business process decision, but if not managed with integrity, it can create ill-will for the company in the market over time as people become aware of this selling technique.

### 3. **The service tech completes the sale.**

The service technician identifies a replacement opportunity and takes the customer through their repair versus replace options. If you have a technician selling process in place and if you’ve investing in training the technician how to effectively communicate all options to the homeowner, this is a very effective replacement selling option. Why? Because most people trust technicians more than they trust “sales people”. A great transition statement for the technician to make before going forward with the replacement option is: “Well, Ms.

Jones, it looks like your furnace (A/C, HP) is at that age where replacing it might make sense. Would you like me to review your options with you or would you like me to set up an appointment for you to visit with one of our sales reps?" Most of the time, the customer would prefer to deal with the technician than a (in their mind) pushy sales rep!

Regardless of how the technician selling process is used by a residential HVAC service company, (to sell the repair, to sell accessories, to set leads or to sell replacements), the company must establish a systematic, measured approach to technician selling to insure integrity, customer trust and consistent, measurable business results (revenue and profits) over the long term.

Consider the following...

### Define your technician selling **process!**

- How do you expect the technician to behave and communicate on EVERY service call?  
Execution of "The perfect service call" on every call?
- What do you want them to communicate?  
Repair versus replace options where appropriate?
- When do you want them to communicate repair versus replace?  
Service call procedures – 4K and/or over 10+ rule - upon diagnosis?
- What Product and prices are then offered?  
Bundled Options or Individual Components – set-up as part of flat rate?
- When the customer buys – what are the technician's procedures to complete the install?  
Paperwork, signatures, financing, thank you card, scheduled?
- How do you measure and pay for performance in the model?  
Compensation plans, target budgeted goals, training, support materials, rewards?

### Find The "Right" Technicians To Build Your "Team" Around.

So often we ask technicians to do things they are not capable of doing! Why? Because we misinterpret their communication skills and/or their fear of "selling" big-ticket items, thinking they may be able to sell replacement because they have been successful with selling service repairs, maintenance agreements, accessory items or are proficient already in setting leads.

However, you can actually ruin a good technician by moving them into the replacement sales without carefully evaluating their skills set and committing to training them in your replacement sales process BEFORE putting them in the field to “sell”. Here are some of the attributes to look for in an effective Selling Service Technician:

1. Open to New Ideas - is open minded to “selling” instead of simply repairing
2. Expectations for Personal Growth are high - displays confidence, wants to succeed
3. Attitude is positive – willing to listen, wants to “grow” and can take “rejection”
4. Expressive – is not fearful at expressing ideas or opinions
5. Personable – can relate to all 4 types of personalities
6. Presentable – is aware their appearance affects peoples judgments
7. Customer Oriented – understands the need to be customer focused
8. Competitive Spirit – wants to win and be a part of a winning TEAM!

The hiring or re-training of a technician to focus on replacement sales (using the repair versus replace approach) is made much easier if you identify the “right people” on the front end! Remember, the bottom line... after all is said and done is... can they sell?

## What Are the Company Standards for Repairing Versus Replacing a Unit?

### 1. When to begin communicating with a customer about repair versus replace.

#### **Standard # 1 - The “4K” rule.**

Price of the repair times the age of the equipment... and to make it simple (Internal Marketing Concept) we call it the 4K rule. “K” stands for thousand in many circles, so we refer to 4K as the term for four thousand dollars, making it fast and simple to become part of our company “speak”. And at 4K, we believe we are justified in beginning to discuss a repair versus replace option with the customer.

As an example: A \$400 repair multiplied by 10 year old piece of equipment = \$4,000 or 4K

#### **Standard # 2 - The “Over 10” rule.**

Anytime the equipment is over ten years old and there is a service event, the technician can initiate the repair versus replace discussion, present associated sales collateral materials and begin a dialogue with the homeowner about the merits of considering replacing/upgrading their equipment.

Given the increase in utility costs over the past few years, and given the sensitivity many in the community have towards reducing our dependence on foreign oil and conserving energy, having your technician initiate a

conversation about the merits of replacing their 10+ year old HVAC system with the homeowner during a service call is very reasonable.

*“HOW” to communicate in a proper manner and represent your company’s brand and image properly.*

Once the technician determines it would be in the customer’s best interest to consider replacing rather than repairing their equipment, how that information is communicated to the homeowner is critical in building trust with that customer and your company’s brand and image in the market.

It’s best to utilize a visual selling-aid (like the one provided below) to effectively walk the customer through the decision making process of whether it makes the most sense to repair their system or replace it. This visual selling-aid can be used effectively whether the service technician is required to set leads or is able to complete the replacement sale.

## **2. Checkpoints for the company, including an accountability process for insuring the customer’s best interest is being served at all times.**

There are many measurable checkpoints a company can utilize to make sure their service technicians are doing what’s best for the customer (and each situation can be different). For example, is it in the best interest of an 80 year old widow to replace a 12 year old furnace or air conditioner, or is it best to repair it? What about a repairing a 10 year old piece of equipment because the home owner is going to move and wants the next home owner to worry about the cost of replacement? How about the proper procedure for recommending replacement on a furnace with a cracked heat exchanger or on an air conditioner or heat pump with a failed compressor?

One method of insuring a replacement recommendation for a cracked heat exchanger or a failed compressor is to get a “second opinion” from either a senior technician, who has the experience, or from a selling service tech who is mechanically competent and able to complete the residential sale with the homeowner once the cracked heat exchanger or failed compressor diagnosis is confirmed. To further minimize the chance that a technician inappropriately recommends replacement based on a major component failure is to have the installers test all equipment being replaced for a cracked heat exchanger or failed compressor and if the equipment is found not to have these problems, the technician is fired... and there can be no second chances. Company integrity is too important to the long-term success of the HVAC business and even one “60 minute” style exposure to an inappropriate replacement could be the “death” of even a successful business.

Likewise, before any repair totaling \$600 or more is completed by a technician, they should contact “someone” to confirm the customer has been provided the repair versus replace option. Large repair bills can be just as damaging to the company’s image as an inappropriate replacement recommendation. How many times has a customer had another “service event” shortly after paying for a large repair bill and been upset they weren’t

giving the option to replace the equipment the first time? In the peak of the heating and/or cooling season, it can be challenging for the technician to offer the repair versus replace option effectively. When the pressure is on to run service calls, the technician sometimes goes into “fix it focus” and would rather fix it and move on than take the time to educate the customer on all their options. By requiring a confirmation from someone “higher up” (like the service manager, operations manager or owner/GM) a company can more effectively manage the situation.

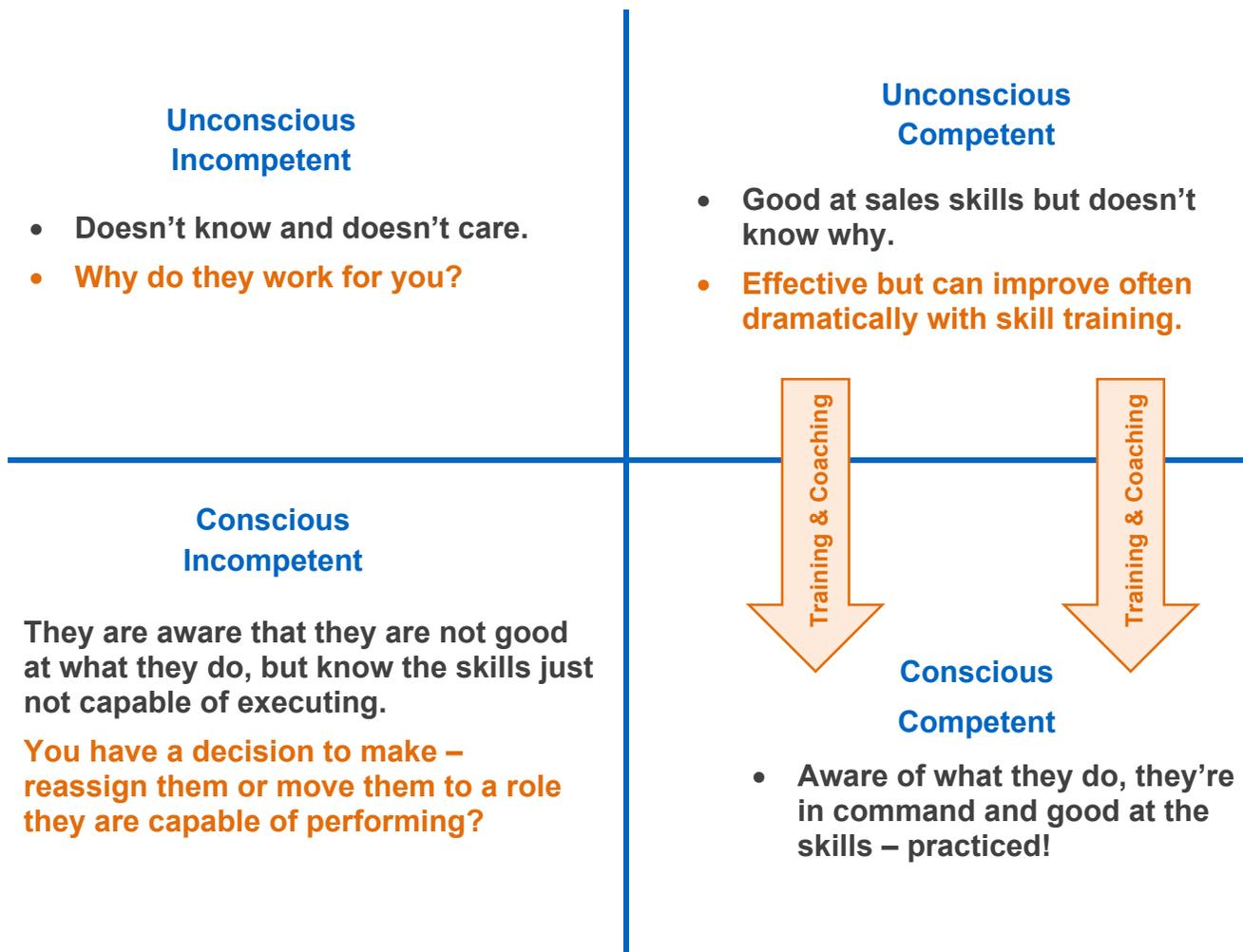
### How Do You Improve Results in Technician Lead Setting or Sales?

1. Evaluate what your company sales processes are now – What do you do from start to finish? Compare what you do today, every day, with the 10 steps in a successful sales call and determine if there are areas your technicians are skipping or may want to improve.
2. Determine what approach you want to use – The 1-call approach, with the technician completing the sales process, or the 2-call approach, where your technician sets leads and turns over the sale to a Home Comfort Advisor. Your sales process will align itself with the approach chosen.
3. Map out your sales presentation format from start to finish on paper so you can compare it to what you may want it to be. You may be surprised when you write it down, what you sometimes leave out during a sales presentation in front of a homeowner.
4. Decide what you want to change if anything at all? If you decide you want to make changes, think about what needs to happen to make the change work well. Examples would be the guarantees – Do you offer a set of customer trust guarantees? If not and you plan to, you must adapt the process, and create the forms.
5. If you are changing forms, or materials, or paperwork – Go ahead and get the changes made. Update the forms, and consider if you have employees that are involved with these forms that they may be able to give you some very good input – involve them. Involving them makes the transition easier on them, harder on you, but easier and more effective for them.
6. If you are changing behavior in your sales process – Such as adding a formal customer questionnaire, defining a script to practice for internalization of sales techniques, role plays, and so forth, this is more complicated and takes more time, energy and patience on your part to implement correctly.
7. Practice, practice, practice. The idea that no practice is needed is common, but flawed. Even the great Tiger Woods, Michael Jordan, Wayne Gretzky, Joe Montana and on and on all practiced very hard at their craft, and not just on Game Day! Practice is where they reviewed how well they were performing specific skills. Just like an effective sales process, there are specific skills such as listening, questioning, presenting options, overcoming objections and so forth that need to be practiced.

8. Video the sales process practice! Most contractors don't appreciate the value of filming a sales presentation practice. As a business man, the ONLY way to see and know for sure what your technicians do in the sales process is to video the practice sessions, so you can see yourself... no matter how funny or painful... because the camera NEVER LIES!
9. As you practice these specific sales skills, remember to critique yourself and learn to get better. Practice also helps you internalize the selling skills, making you more consistent. Look at the chart on the following page to refine where your techs skills are now.

## Technician Selling Skills and Processes

Why learning skills can make even effective technicians **more** successful.



Every technician should strive to become a conscious competent.

Sales personnel need to learn the skills of a proven selling process, and then practice, practice, practice so they internalize these skills with their style. We call this, superimposing skills with style. This allows the selling tech to be personable with the homeowner and at the same time use the skills of a proven sales process to earn the homeowners trust and confidence, making it more likely for the homeowner to buy from us.

## Forms, Materials, and Support for Technician Sales Process

### Guidebook:

- Defines all systems and capacities for technicians. This can be used on a laptop, PDA, and of course hard copy.  
[www.prestonguidebook.com](http://www.prestonguidebook.com)

### Laptop (PDA) & Software:

- If a company uses laptops for technicians.

### Technician Electronic Flat Rate Manual:

- Who you are as a company.
- Insurance and licensing certificates as a company.
- What local community associations you belong too.
- Photos of your personnel and your company.
- Educational accomplishments for the technician.
- Technician certificates – Training and certifications.
- Excellent (proper) installation pictures.
- Poor installation pictures.
- Testimonial letters from happy customers.
- Old Yellow Pages – Copies of old companies.
- Repair versus replace – Technician questions / system of selling.
- Cookbook pricing guide for technicians.
- Technician consumer education (sales brochures).

See examples of each form or materials in the Support & Training Section.

- Guarantees of the Company:
  - Temperature guarantee – 1 degree of comfort.
  - Best value guarantee.
  - Quality & service guarantee.
  - Customer trust guarantee form – Lists all 5 guarantees.
- Full home comfort consumer education brochure.
- Consumer product literature.
- Investment agreement if used for technicians.
- Proposal form for options only sales quote.
- Financing paperwork – Place in flat rate guide.
- Home audit survey form – Job details.
- Short form load calculation.
- Operating cost comparison - Utility rates payback sheets.
  - Filled out already.

**Service Kit Materials:**

- Business card for technician (name badge as well).
- Service invoice, service agreement, discount coupons.
- Precision tune-up, refrigerator magnet, grocery list magnet.
- Friends & Family coupon, USA sales flyer, equipment stickers.

**Door hangers with marketing flyers.**

**Fee for service (sales commission) form for technicians.**

**Happiness rating and referral request form.**

**Thank You card.**

See examples of each form or materials in the Support & Training Section.

*Example repair versus replace discussion on the next page. The questions asked by technician to determine lead/sale/repair.*

## Should You Repair or Consider a New Replacement System?

### 1. What is the age of the equipment (Preston Guidebook)?

<b>Years</b>	1,2,3,4,5	6,7,8,9	10,11,12,13,14	15 or more
<b>Rating Points</b>	0	8	12	18

### 2. Equipment usage in hours (operating hours).

<b>Annual Hours</b>	0-700 Hours	701-1400	1401-2000	2001 Plus
<b>Rating Points</b>	1	3	5	7

### 3. How long do you plan to live in this home?

<b>Years</b>	1-3 Years	4-6 Years	7-9 Years	10 Plus
<b>Rating Points</b>	1	2	3	4

### 4. Today's repair costs that can be saved / reduced from invoice?

<b>Amount in \$\$</b>	\$0 to \$100	\$101 to \$300	\$301 to \$500	\$501 or Above
<b>Rating Points</b>	2	3	4	5

### 5. What are the potential utility energy savings?

Utilities are on the rise and Gas/Electricity appear to be continuing to climb.

### 6. Is inflation a factor?

Continues to be on the rise – Commodities (Copper/Steel) are rising quickly.

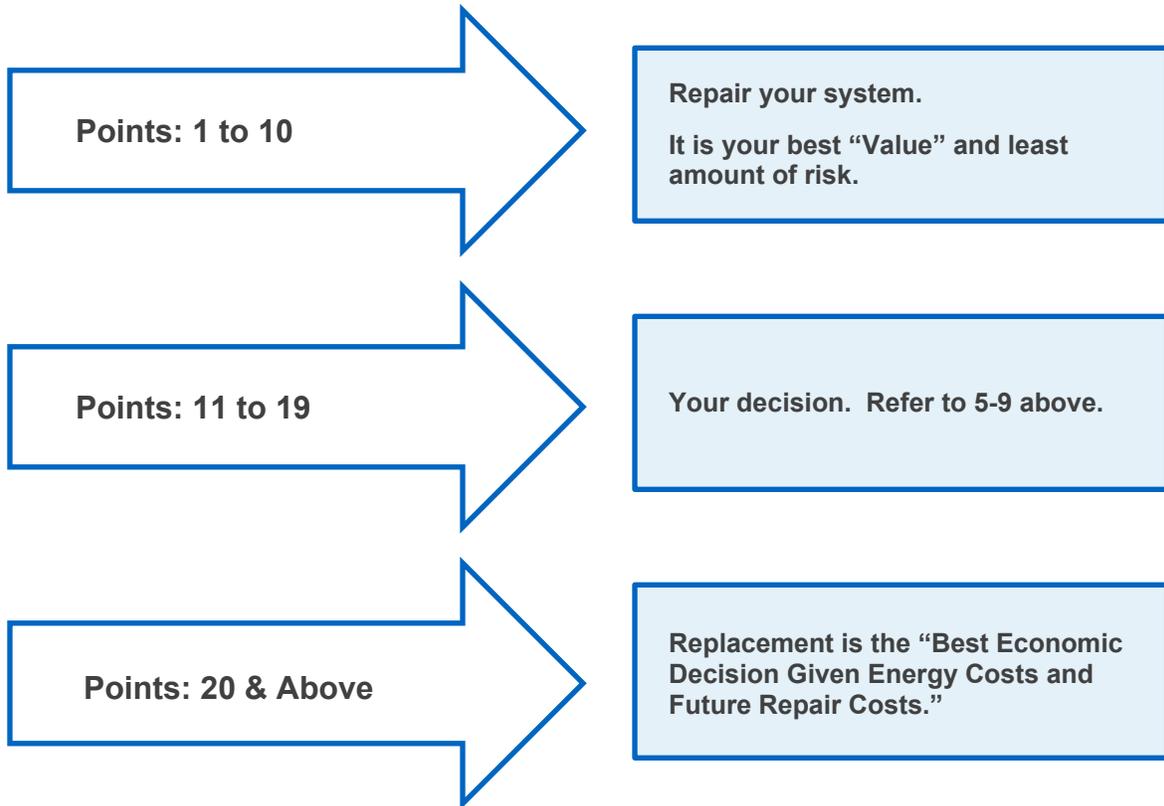
### 7. Does the new warranty improve versus the current warranty?

### 8. Is indoor air improvement (IAQ – The quality of air) a consideration?

### 9. Are the environmental a consideration (R22/R410 green refrigerant)?

### 10. Will there be any likely future repair costs?

**What is in your best interest given your lifestyle, budget and home comfort equipment condition?**



## Why Is This Critical To Your Success?

- The technician sales process is a fact of life and it is happening whether you acknowledge it or not. Understanding the steps of sales process, and defining and practicing these steps are a crucial step to improving sales.
- Having a defined, controlled technician selling program can significantly improve your leads and your closure rates, resulting in more profits.
- Knowing technician sales process allows you to define the training steps, and become more consistent allowing for better presentations, closure rates, and ultimately profits.

**Practicing your sales presentation and getting excellent at the sales process will help you make more profit!**