

Here's What Goes Into the Cost of Rendering Services On Your Premises:

Good service doesn't "just happen!" Operating a dependable service business requires organization, competent management, and a substantial capital investment. So don't judge service charges solely by the time spent at your premises. When that top-notch mechanic goes to work, many costs have been incurred just to get him there ready to do the job. Here are some of them:



Advertising & Marketing



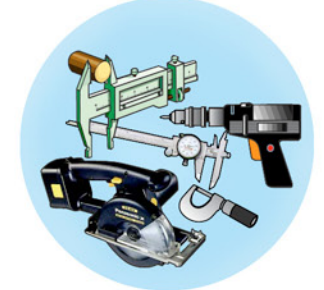
Service Writer



Stock of Parts



Specialized Training



Special Tools



Transportation Costs



Accounting & Management



Stationery & Supplies



Lights, Heat, Phone & Rent



Wages & Overtime



Taxes: Local, State & Federal



**Insurance: Liability, Casualty,
Workman's Compensation**



**Vacations, Sick Pay, Retirement
Unemployment Compensation**



Capital Investment



Building Maintenance

Good service, particularly when it is provided on your premises, involves significant costs other than the Serviceman's time on your call:

Let's review some of the costs that are part of a basic service charge:

- * Communication: How you find and reach us - Toll Free phone number
- * Advertising and marketing: Yellow Pages, Radio, Web Site, etc.
- * Administrative: Receive, interpret and schedule your call
- * Call preparation by Service personnel: Review anticipated parts needs, map travel, confirm schedule for your call
- * Travel to your premises: This is also part of the basic charge, regardless of distance, weather and traffic conditions
- * Assess service needs: Provide tools, knowledge and labor to remedy the problem
- * Make out service report
- * Return travel
- * Administrative: Create and mail invoice, postage and enter transaction as receivables. Send statements if required and process payment

There are other indirect costs:

- * Product and safety training
- * Specialized service training
- * Supervisory and management personnel
- * Licenses and fees
- * Wages, vacations, holidays and sick days. Retirement contributions: Life, Health, Disability and Dental Insurance
- * Workman's Compensation Insurance, Liability and Property Damage Insurance
- * Extensive inventory of parts carried on trucks for anticipated needs
- * Office equipment, depreciation and maintenance
- * Office supplies, stationery and forms
- * Building facilities, depreciation, municipal taxes and insurance
- * Facilities maintenance
- * Utilities: heat, light, water, etc.
- * Federal, State and Local taxes
- * Payroll taxes: Employer's portion of Social Security, Medicare, FUTA and Unemployment
- * Warranty coverage

As you can see, there are many fractional costs which impact the Basic Service Charge. By monitoring our costs we are able to provide good service at fair and competitive prices. We hope that this explanation provides better understanding as to the real cost of **Good Service.**