

Taking the Magic out of Estimating Commercial Service Agreements

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- 25 Years Trane Company
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- 5 years Johnson Controls
(District Manager, Regional General Manager)
- Daimler Management Services-Driving
profitable growth!
(Business Consultant)



Quote of the Day

- One can choose to go back toward safety or forward towards growth. Growth must be chosen again and again; fear must be overcome again and again.

~ Abraham Maslow



Overview

- Task Base Estimating Process
- Implementing a Turnover Process
- Takeaway Burden Estimator



Task Based Estimating



What are you doing today?

- Depends on who is estimating?
- Get feedback from technician?
- Spreadsheet with street rates?
- Service Manager?
- Estimating Program?



Task Based Estimating

- Repeatable
- Measurable
- Predictable
- Calendar Based



Creating Task List

- Determine equipment needs
 - OEM
 - Environment
- Individual task per step
- Group by event
- Market sensitive
- Heavy Commercial
 - Event based
- Light Commercial
 - Task driven



Sample Task - Rooftop

General Assembly

- Inspect for refrigerant and oil leaks and report leak check results.
- Check the sheaves and pulleys for wear and alignment.
- Check the belts for tension, wear, cracks, and/or glazing.
- Check mechanical linkages for wear, tightness, and clearances.
- Straighten condenser coils (up to 10% of the surface area)
- Verify clean condenser and evaporator coils and brush clean. Note: Evaporator coils will be inspected if reasonably accessible.
- Check and clean drain evaporator drain pan, drain, and trap.
- Verify evaporator fan cleanliness.
- Verify clean air filters.
- Verify the operation of the crankcase oil heater(s), if applicable.

Controls and Safeties

- Verify the operation of the discharge air temperature control device, if applicable.
- Verify unit thermostat controller operates properly.

Lubrication

- Lubricate motor bearings, if applicable.
- Lubricate fan bearings, if applicable.
- Check oil level in the compressor(s), if applicable.



Sample Task - Rooftop

- **Optional Inspection Tasks**
 - Check Refrigerant Temperatures and Pressures
 - Filter Replacement - specify MERV Rating
 - Chemically clean condenser coils
 - Check economizers; inspect linkages and damper motor operation. Calibrate if necessary.
 - Replace belts (specify number of times per year and during what inspection).
 - Add Algae Tablets.



Know Your Cost

- **Consumables**
- **Equipment usage**
- **Labor**
- **Direct Overhead on Labor**



Simple Burden Labor Rate

Direct Pay	\$30.00
Total Hours	2,080
Over Time 12%	250
Direct Cost	\$69,900.00
T&I 27%	\$18,873.00
OvhDL	\$17,000.00
Total Cost	\$105,773.00
Billable Hours 82%	1,910
Cost per Hour	\$55.38



Burden Labor Rate

- Hours (Vacation, Holiday, Sick, Meeting, Training)
- Controllable Non-Billable
- Payroll Taxes (WC, Retirement, Ins., 401K)
- Direct Overhead (Vehicle, PPE, Communication, small tools, computer)
- Administrative/Supervisory allocation?

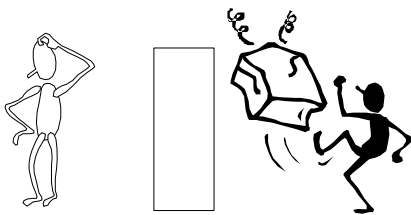


Example

Sample Service Estimate



Transition Process



What is Transition?

- All pertinent project information is communicated from Sales to Operations.
- Discrepancies are mutually resolved.
- Operations formally accepts responsibility.
- Target Margins are mutually established.



Why do we need Transition?

- Do it right the first time.
- Cohesion between Sales & Operations.
- Customer Satisfaction.
- Meeting Estimated GM Targets.
- Increased Technician Productivity.
- Sales can spend more time selling.



Transition Event

- A defined Process Step
- Occurs within 3 working days from receipt of signed contract or PO.
- Transition Information Packet is reviewed and 'turned over' from Sales to Operations.
- Type of Transition Event depends on type of project sold.



Participants

- Sales
- Service Manager
- Estimator (if applicable)
- Lead Service Tech (as needed)
- Customer (as needed)
- Other Service Team Members (as needed)



Transition Information Packet

- Contract Information
- Special Requirements
- Technical information
- Cost Information
- Performance Information
- Customer Information



Questions