

STANDARD OPERATING PROCEDURE

Original Date of Issue: April, 2016

Revision Date: June, 2018

Revised by: N/A

Approved by: Gary Montana

Departments: Day & Nite, All Service, and Popular Plumbing

Page: 1 of 13

Title: For Service Managers



10 CHARLES STREET, NEW HYDE PARK, NY 11040

Service Managers: Index

	<u>PAGE</u>
<u>SECTION 1: T&M Revenue</u>	
Managing T & M Revenue through the Proper Utilization of Technicians	2-3
Managing T& M Revenue through the Quote Process	4-5
Managing T & M Revenue through Technician Revenue Opportunities	6-7
Managing T & M Revenue through Timely and Accurate Billing	7
<u>SECTION 2: Managing Personnel</u>	
Personnel Management through Understanding Work Performed Daily	7-8
Personnel Management through Performance Reviews	8
Procedure for Personnel Management through Salary Reviews	8
Procedure for Personnel Management through Properly Paid Hours	9
Procedure for Personnel Management through Incentives	10
Procedure for Personnel Management through Off Hour Service Procedures	10
<u>SECTION 3: Managing Cost</u>	
Cost Management through Managing Payroll Cost	10-11
<u>SECTION 4: Customer Satisfaction</u>	
	11-13

STANDARD OPERATING PROCEDURE

Original Date of Issue: April, 2016

Revision Date: June, 2018

Revised by: N/A

Approved by: Gary Montana

Departments: Day & Nite, All Service, and Popular Plumbing

Page: 2 of 13

Title: For Service Managers



10 CHARLES STREET, NEW HYDE PARK, NY 11040

Service Managers

PURPOSE:

The main objective of a Service Manager is to achieve customer satisfaction, at or above the expected levels, while generating the targeted revenue at the appropriate cost, and maintaining a motivated, hard-working, and successful staff.

RESPONSIBILITY OF:

Service Managers at Day & Nite Air Conditioning & Refrigeration, All Service and Popular Plumbing

SECTION 1: T&M REVENUE - Managing T & M Revenue

Managing T & M Revenue through the Proper Utilization of Technicians

MANAGEMENT

- Service Managers will review overtime submissions, using GPS "Daily Report with Work Orders" to ensure requests are submitted correctly, and that the service call was either authorized or necessary
- Helpers and Junior Technicians, should be utilized to limit labor exposure when possible
- Service Managers will review daily and weekly utilization reports, in an effort to identify areas of concern or irregularity
- The Service Manager will utilize daily feedback from the Field Service Manager and/or Field Supervisor(s), by making Field visits themselves, depending on division size and manpower

INVENTORY

- Service Manager(s) in conjunction with the Parts Manager, will review Truck inventory to establish min/max levels, to best utilize technician's capabilities and scope of work
- Specific parts adjustments to basic truck stock list to be done on a case by case basis
- Once cycle counts are complete and adjustments are made, a report is given to the Service Manager to discuss with the Technician

TIMELY INSTALLATION OF PARTS

- The Service manager will work with the Dispatcher to ensure that service jobs are scheduled within 48-hours of the parts becoming available.

The Service Manager will work with the Dispatcher, to coordinate materials distribution to the Technicians. Some possible suggestions include:

- Having parts delivered via driver or alternate technician
- Having parts left-out for pick-up
- Bring in Technician for check-in and parts pick-up.

The Service Manager will ensure that the Dispatcher is aware of parts that are pending on a truck. Some possible methods are:

- Ensure that jobs ordered as priority freight are monitored and installed as a priority
- Ensure that parts are installed within 48-72 hours of being transferred to a Technician
 - In the event that this does not happen, an escalation is sent to the Dispatcher and the Service Manager
- Ensure, jobs that can be done at any time, are not done in the early A.M./First appointment spots
- Matching parts jobs or service calls with PM visits

FIRST TIME FIX

The Service Manager will work with the procurement personnel and ensure that the “A” stock list is accurate. Some possible methods are:

- The Service Manager will coordinate with the Procurement Personnel, to adjust min/max levels accordingly, (reviewing quarterly and/or seasonally)
- The Service Manager will ensure that trucks are well organized, so that the technician can locate the necessary parts on the truck and the repair can be made on the first trip

MINIMIZE DOWNTIME

- The Service Manager will communicate with the Warehouse Personnel, to ensure that all orders are accurate, before they are distributed to the technicians. All questions and concerns regarding the correct distribution of materials should be brought to the attention Warehouse Manager and/or the Service Manager
- The Service Manager will coordinate with the warehouse manager to make specific scheduling arrangements for special deliveries

The Service Manager will ensure that the Dispatcher utilizes junior technicians and helpers for smaller parts jobs, freeing up the senior technicians for the more difficult jobs. Some possible methods are:

- Performing the parts work during a PM visit or busy time when regular repairs are unable to be completed.
- Review the utilization reports daily, weekly, and monthly to ensure optimum utilization of all personnel.

Managing T& M Revenue through the Quote Process

Quotes are typically required for one or more of the following reasons:

- When the repair cost will exceed the client's NTE dollar amount
- If the work must be approved by a person other than the representative on site
- If the client needs to cost the repair against their budget

All quotes require a site survey in some form. Survey on site via the Service Technician, or through a site visit, by a Field Supervisor or Service Manager.

SITE SURVEY

If the survey is performed by the technician:

- The Field Technician notifies the Field Supervisor or the Service Manager, that a quote is required
- The Service Manager or Field Supervisor, reviews the scope of work, on-site with the Technician
- The Service Manager or Field Supervisor alert the tech of all pertinent information to record, in order to facilitate the creation of the quote
- The Field Technician records and attaches all information/photos to the work order
- The Service Manager, Field Service Manager or Field Supervisor visits the site if necessary

SURVEY PERFORMED BY FIELD SUPERVISOR

- Field Supervisor visits the site
- Field Supervisor records all pertinent information needed to prepare the quote
- Field Supervisor attaches all information and photos to the work order

QUOTE PREPARATION

Quote Being Prepared by Service Manager:

- Service Manager receives the information from the Field Personnel
- Service Manager will review the scope of work and the site needs with the Field Personnel
- Service Manager prepares the quote
- Service Manager submits quote to client once completed within 24 hours
- If the quote is being processed through a third-party website, any cost incurred to date must be added to the quote total. The quote total is then uploaded to the service site as one cost, then the back office is forwarded the quote for uploading to the site
- Service Manager records the quote information in the "Quote Tracking Database," and changes the status of the Work Order to "Waiting Customer Approval".

QUOTE BEING PREPARED BY FIELD SUPERVISOR/PROCUREMENT DEPARTMENT

1. The Field Supervisor prepares the quote and submits it to the Parts Department for pricing.
2. Parts Department returns the finished quote to the Field Supervisor for final review.
3. The Service Manager reviews the quote and the scope of work with the Field Supervisor.
4. The Service Manager or Office personnel to submit the quote to the customer.

QUOTE SUBMITTED TO 3RD PARTY PROVIDER

- If the quote is being processed through a third-party provider, any cost incurred to date must be added to the quote total to be uploaded to the service site as one cost
- The back office is forwarded the quote for uploading to site
- The Field Supervisor records quote information in the “Quote Tracking Database”
- The Field Supervisor changes the status of the Work Order to “Waiting Customer Approval”

QUOTE FOLLOW-UP, FIRST FOLLOW-UP CALL

- Customer Service Dept. will contact the client within 72-hours of submitting the quote, to ensure it's received and understood
- Customer Service Dept.: A phone call from the Service Manager or the Field Supervisor to speak with the client if necessary
- Customer Service Dept.: A site visit by the Service Manager or Field Supervisor if necessary
- Customer Service Dept. records a note in the “Quote Tracking Database”
- If the quote is being processed through a Service Website, the Back Office is notified to record note on website

SECOND FOLLOW-UP CALL

- Customer Service Dept. contacts the client within 7 days of submitting quote and inquires if client has questions
- If necessary, Customer Service Dept. schedules a call from the Service Manager or Field Supervisor and will speak to client
- If necessary, Customer Service Dept. schedules a site visit by the Service Manager or Field Supervisor
- Customer Service Dept. records a note in the Quote Tracking Database
- If the quote is being processed through a Service Website, the Back Office is notified to record a note on the web site

FINAL FOLLOW-UP CALL

- The Service Manager or Field Supervisor is to contact the client 3 days after the second follow up call, review the quote, and stress the necessity of the scope of work outlined therein
- If necessary, The Service Manager or Field Supervisor schedules a site visit at this point
- The Service Manager or Field Supervisor records a note in the Quote Tracking Database
- If the quote is being processed through a Service Website
- The Back office is notified to record a note on the Website

QUOTE APPROVED

- The quote approval is received
- Customer Service Dept. notifies the Service Manager that the quote was approved
- Customer Service Dept. attaches the approval to the quote in our system
- Customer Service Dept. changes the status of the work order to “Quote Approved”
- Customer Service Dept. adds a note in the Quote Tracking Database
- The Service Manager notifies the Parts Department to order any required materials
- The Parts Department orders the materials

- The Parts Department changes the status of the work order to “Parts Ordered”
- The Parts Department receives the material for the quoted work
- The Parts Department notifies the Dispatcher that the parts have been received
- The Parts Department changes the work order status to “Parts Received”
- The Dispatcher schedules the work
- The Dispatcher changes the work order status to “Scheduled”
- The Technician performs the work in half the amount of time as was quoted, with half the materials, and we grow exponentially

NOTE: At their discretion, The Service Manager may allow work to be performed without a purchase order and one is obtained prior to invoicing the job.

QUOTE DECLINED

- The quote is declined
- Call center notifies the Service Manager that the quote was declined
- The Service Manager contacts the client to inquire why the quote was declined in attempt to get the quote approved
- The Service Manager notifies the Call Center to change the work order status to “Quote Declined”
- The Call Center makes a note in the Quote Tracking Database

Managing T & M Revenue through Technician Revenue Opportunities

The purpose of the standard operating procedure is to: Provide a framework for Technicians to fulfill his revenue generating responsibility.

GOAL SETTING

- The Service Manager must provide technician level specific revenue goals for direct T&M sales, quoted T&M sales, and equipment replacement/installation leads
- The Technician Profitability Report and Personnel Utilization Reports will be utilized to measure progress toward these goals

REVENUE OPPORTUNITY CHECKLISTS

- The Service Manager will provide a division/company specific checklist to help identify possible revenue opportunities

REVENUE OPPORTUNITY TRAINING

- The Service Manager will ensure that the Technicians receive product specific training. Training sessions will provide the technical aspect of revenue opportunity as well as sales training.
- The sales training portion will include a non-technical method of explaining the benefit to the customer. Customers do not purchase parts, they purchase solutions

GOAL TRACKING

- The Service Manager will provide a method of tracking technician level specific goals.

GOAL RECOGNITION

- The Service Manager will provide a method of recognition for those who are obtaining their goals and counseling for those who are not.

Managing T & M Revenue through Timely and Accurate Billing

It is the Service Manager's responsibility to ensure that the client is provided with timely and accurate billing, allowing for a constant flow of revenue.

PROCEDURE FOR TIMELY BILLING

- On close out of the ticket, all COD credit card transactions must be processed by the Dispatcher, reviewed by the Service Manager and sent to the Accounting Manager to be charged and posted immediately
- "As Quoted" work orders must be processed and invoiced at the close of business that day
- T & M billing and Labor Contract related parts must be invoiced within 48-hours of completion of the call
- Billing must be done on a daily basis. This will create a routine and allow for a constant flow of revenue
 - Daily billing will afford the opportunity to accurately forecast monthly revenue
- The Power board should be utilized during billing as a tool to identify aging, client status and job status
 - The Unbilled Work Order Report should be run weekly and reviewed by the dispatcher to ensure invoicing timeliness

NOTE: Each invoice will be prepared by the dispatcher and reviewed by the Service Manager for proper grammar, customer ability to understand the work performed and to ensure that all material and miscellaneous charges are accounted for. If applicable, T & M invoices should be reviewed to ensure Trip charges are included. Warranty invoices should be reviewed by the Service Manager and moved to the Warranty Manager's Power board for final adjustment, as dictated by the Manufacturers agreement. Periodic reviews of fixed pricing structure should be done to adjust for fluctuations in raw materials or component part costs.

SECTION 2: MANAGING PERSONNEL

Personnel Management through Understanding Work Performed Daily

- All Technicians, regardless of division, will follow the basic protocol set forth herein
- The Technician will arrive at the client's location, 15-minutes before the scheduled start time for the day
- Proceed to the loading dock, security station, or Manager's office and be prepared to produce company identification or state identification upon request
- State the reason for the visit and ask for a specified contact
- Greet the contact in a professional manner; briefly ask if they can elaborate on the service request, or if on a scheduled job, describe the scope of work
- Be respectful of anyone who may be working in the station or area of the equipment
- Keep tools and equipment safely stored, as to not create a trip hazard

- Diagnose the issue and proceed safely with repairs
- Be cognizant of building regulations in regard to lock out tag out and other safety concerns. If torch work is required speak to building engineers or Fire command to get authorization
- Upon completion of the repair, generate a clean and concise work order. Briefly explain the repair procedure to the contact and ask for a signature capture. Confirm correct Email address for electronic delivery and adjust if requested

Personnel Management through Performance Reviews

- Performance reviews will be performed by the Department Manager after the first 3 months of a new hire, then on the 6th month and every 6-months thereafter. They should be recorded on an “Employee Review Sheet” and consequently filed with Human Resources in the employee’s file.
- The initial 3rd month review and all 6 month reviews that fall on the median of a 12 month period, are for the purpose of tracking employee performance and progression towards goals set forth in the “New Hire Three Month Plan” that was recorded at time of hire, as well as any subsequent goals that have been set since.
- As part of the review, on-going goals will be reviewed and new goals set, that need to be reached by the next review date. Any new goals will be recorded for reference at that time
- Annual reviews are done on a onetime per year and are done for the purpose of tracking employee performance and progression towards goals. Also to decide whether any incentives and/or pay raises are to be applied at that time. The Employee Handbook should be referenced to review the incentives
- Performance reviews will be based on any notes on employee performance that have been recorded by the department manager through-out the year, as well as the key points outlined in the “Employee Review Sheet”
- Upon completing review, both the employee and the department head must sign the sheet and submit it to Human Resources, which is filed in that employee’s folder

Procedure for Personnel Management through Salary Reviews

- Salary reviews are done for the purpose of tracking employee performance and progression towards goals and deciding whether any pay raises are to be applied at that time
- Pay increases are determined by the Service Manager at the time of the review, unless they have already been set at time of hire
- Both Performance Reviews and Salary Reviews will be based on any notes on employee performance, that have been recorded by the Department Manager through-out the year.
 - Upon completing the review, both the employee and the department head must sign the sheet and submit it to Human Resources, which is then filed in employee’s folder

Procedure for Personnel Management through Properly Paid Hours

The purpose of the standard operating procedure is to insure the accurate capture of a technician's paid time off as well as unpaid time off.

HUMAN RESOURCES

- Prepares a quarterly report for the Service Managers outlining the balance of the technician's sick and/or vacation days remaining for their anniversary year

DISPATCHER:

- Records the Technician's attendance on a daily basis, utilizing the weekly attendance work sheet for payroll, to be submitted by the Service Manager

SERVICE MANAGER

- Communicates the attendance and overtime on the weekly payroll report to the human resources person by 2:00 PM on Wednesday
 - Payroll is to be communicated directly to the human resources person from the Service Manager, via their email or signed hard copy
- Applies the paid/unpaid time off information obtained from human resources to the utilization report to gain a more accurate view of the technician's hourly efficiency

PROCEDURE FOR PAYROLL REPORTING

1. The pay week will start on MONDAY and end on SUNDAY.
2. Field personnel will ensure that their ticket times and overhead tickets are correct in the system at the end of every day.
3. Field personnel must submit their overhead ticket at the end of the day, every day, so that the reports are generated correctly the following morning and at the end of the week.
4. Field personnel must check their daily Technician Timesheet Verification Report every morning and make any corrections needed by 10:00 AM.
5. Field personnel must check their weekly Technician Timesheet Verification Report every Monday morning and make any corrections needed by 10:00 AM.
6. Field personnel must correctly record the time for team members that are not completing the work order(s) for the job(s) or do not have access to Tech Anywhere.
7. Team members that do not have access to Tech Anywhere are required to contact the dispatcher to make adjustments on their overhead tickets.
8. Once the report is generated, on Monday at 10:01 AM, and delivered to the Service Manager, it will be final. No corrections will be accepted.
9. Corrections to a team member's payroll that are a result of their failure to properly record their hours will need to be corrected in the office, in person, before or after their shift.
10. Service Managers will report finalized payroll to Human Resources by 12:00 PM on Tuesdays.

Procedure for Personnel Management through Incentives

- Upon the hire of a new employee, the Service Manager will prepare a benefits package that includes the time frame that the incentives will become available to the employee along with the requirements that need be met for the incentives to become eligible
- The Service manager will review the package with the employee and be certain that they are clearly understood. Only then will the employee sign the incentives sheet. The Service Manager will submit the signed incentives sheet to Human Resources to be placed in employee's file
- At the employee's six month performance review, the Service Manager will prepare an incentives sheet that includes the time frame that the incentives will become available to the employee along with the requirements that need be met for the incentives to become eligible. As part of review process, review the incentive sheet and have the employee sign the incentive sheet. Submit the signed incentive sheet to Human Resources to be placed in employee's file

Procedure for Personnel Management through Off Hour Service Procedures

The Service Manager is a critical position to the organization. Accessibility is expected in order to give and obtain the service levels that are expected by our customers. We are responsible to ensure a technician is available 24 hours a day, 7 days a week to service our customers. We also ensure that the schedule is set each week and adhered to by the technician on call. The Technician shall advise the Service Manager of the outcome of all service work. The Service Manager will follow-up with all high profile clients to update them of the outcome of the service request and any additionally required work.

SECTION 3: MANAGING COST

Cost Management through Managing Payroll Cost

- The Service Manager must have an understanding of contract revenue and contract forecasts
 - Communications with the Sales Department is imperative
- The Service Manager will work with the Technicians to identify T & M opportunities that can be achieved while on site
 - The Service Manager is responsible to ensure that his entire team promotes our other divisions and companies
 - Customers are not always informed of the other services we perform, as well as the other markets we serve. Company identification labels are to be applied to the equipment we work on
- The Service Manager will ensure that they have the proper staff size, at the right cost.
 - This includes: making certain that the correct number of Technicians based on the contract base size and anticipated T & M revenue sales
- The Service Manager will work with the Dispatcher to properly manage service calls, parts repairs, and preventative maintenance calls at the highest productivity levels with minimal recalls
- The Service Manager will ensure that they have the proper mix of skill sets and payroll costs as related to billing rate
 - The goal here should be 5.0 or higher in a billing rate to average hourly rate ratio. There should be a mixture of technicians that provide a profitable blended rate and are able to perform the tasks needed at the best efficiency

- The Service Manager will work with the Dispatcher to ensure that overtime is being billed for wherever possible
 - Overtime that cannot be billed for must be looked at closely before authorizing the expense
 - The Service Manager will analyze the overtime and make a decision to hire additional staff to offset the amount of overtime when necessary.
- The Service Manager will ensure that the technicians are utilizing their vacation time and paid holiday time during less busy months
- The Service Manager will create a seasonal truck stock inventory and update it based on industry and equipment innovation
 - The Procurement Department will rotate the truck stock seasonally to reflect the specific stock lists. Also, will adjust min/max levels accordingly

SECTION 4: CUSTOMER SATISFACTION

The purpose of this section is to provide a framework for the Service Manager to work toward 100% Customer Satisfaction.

CLIENT EXPECTATIONS

- The Service Manager must ensure that the expectation level of the customer is set and strive to ensure that it is met while maintaining a profitable relationship

SALES

It is The Service Manager's responsibility to be involved with contract sales during the sales process and ensure that both the company's and client side deliverables are met.

- Follow-up and verify that sales leads are responded to and handled in a timely manner
- Verify that the Sales Executive has outlined the client's expectations of us as their service provider
- Verify that the Sales Executive has conveyed our terms and conditions to the client as their service provider
- When applicable, provide a pre-contract survey in a timely manner. A delay in scheduling and executing a pre-contract survey may send a message that we are unorganized and/or may not be able to respond to their needs in an emergency
- Ensure that any quotes generated by the pre-contract survey are generated and delivered in a timely manner. The Sales Executive should be included when the quotes are delivered to allow for an additional contact point. Again, a delay in scheduling and executing a pre-contract survey may send a message that we are unorganized and/or may not be able to respond to their needs in an emergency
- Review and approve all new service agreements
- The Service Manager will arrange an opportunity to welcome all new clients and introduce themselves at the point of the pre-contract survey or first PM visit and follow up after all initial quotes

SERVICE

It is the Service Manager's responsibility to ensure that, wherever possible, the client's service related expectations are met.

- The Service Manager will oversee, through communication with the dispatcher and reviewing the preventative maintenance report, that all Preventative Maintenance work is being performed in a timely manner
 - In the event of a deficiency, the Service Manager will implement a plan to ensure that this critical company side deliverable is met. This includes but is not limited to ensuring that there is sufficient manpower to execute this work
- The Service Manager will ensure that the quality of all work being performed meets all company, industry and most importantly, contracted standards
 - Suggestions as to how to verify the quality of work performed are speak to the technicians, the use of documentation and photographs, Field Supervisors, Field Service Managers, personal visits, and customer surveys
- The Service manager will develop relationships with the clients. Some opportunities to deal directly with the clients are large quotations, critical issues, potential critical issues, and introductions to all newly on-boarded clients. The Contract Sales Administrator shall provide a Contract Folder for sign-off. Checklist to follow based on the below:
 - Service Managers will contact the new contract client to introduce themselves ahead of the PCS to actually schedule said visit for proper introductory on-boarding. Service manager to explain they have full understanding of any issues and/or concerns and go over solutions that are available if anything has transpired service wise up until then
 - Service Manager Follow-up on PCS with client directly to go over open quotes if any or inform of a clean bill of health. In this conversation, they might identify solutions that will further satisfy the client and make their experience with us better
 - This will ensure proper full hand-off/transition to the service department. This will be especially helpful when there are pre-contract repairs as the Service Manager will have already spoken to the client and begun creating rapport to relationship and reduce client side frustration and better relationship transfer..
- The Service Manager will work with the Procurement Department, ensuring that the proper inventory items and quantities are maintained, in order to optimize the first call response
- The Service Manager will verify with the Dispatcher that the technicians are being utilized to maximize productivity and response time for the client. The Service Manager will review the Technician Utilization Report and discuss with the Dispatcher as needed
- The Service Manager will ensure all quotes generated by service
- The Service Manager will also ensure that preventative maintenance visits are generated and delivered in a timely manner
- The Service Manager will ensure that approved quotes are expedited from quote approved status through completion
- The Service Manager will coordinate with the Dispatcher to prepare all invoices and ensure that the client is invoiced within 48-hours of completion

- The Service Manager will monitor client satisfaction. Some suggestions to achieve this goal are:
 - customer experience surveys, direct communication with the client, and indirect communication with the client through Technicians, Field Supervisors, Field Service Managers, and Sales Executives