

12 Principles of Selling Commercial Service Agreements ■

let us show
you how...

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As government building efficiency requirements take effect, many commercial and industrial building owners will be forced to look at their facility's air conditioning equipment from a new perspective. Years of "musical chair maintenance" (gambling that deferred maintenance wouldn't lead to a break down) will be replaced with service agreements in many facilities. Many owners and managers who have never had professional maintenance performed on their HVAC equipment will be more receptive to service agreements than any time in history. Even though the demand for commercial and industrial service agreements will increase, they must still be sold. The key to victory in this arena is implementing the following 12 P's to success.

1. PROFILE

Have a clear picture of who you want as customers

Gather the low hanging fruit first. Start by converting current customers to service agreements. Next, comb your files for former customers and call on them. Focus on your areas of expertise, but be willing to stretch slightly beyond your comfort zone to acquire new customers. Spend time with those with the greatest needs, money and authority to authorize your proposal. Stay away from "bidding" unless you can rewrite the specifications. Remember, not everyone with HVAC equipment is a prospect.

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Investing in an American economy that is built to last includes taking advantage of all of America's energy resources while working to improve efficiency ... By making heating, ventilation and air conditioning systems in buildings more energy efficient, American businesses can save a significant amount of money by saving energy.

U.S. Energy Secretary
Steven Chu

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2. PLAN

Proper planning is untapped power

Have an in-depth plan to acquire new customers. Know who you want to see and why. Document who you saw, what was said and how you will follow-up. Measure results, not activities. Remember, the more qualified people you see, the more service agreements you'll sell.

3. PROSPECT

The more time you spend with prospects . . . the "luckier" you get

Be ready to find the opportunities that exist in every HVAC system in North America. To keep from wasting your time, qualify first. "If our investment in a survey of your building reveals opportunities for savings and improved comfort, what are our chances of doing business?"

4. PEOPLE SKILLS

Relationships are vital to agreements

Customers never see 90 percent of the tasks performed under a service agreement. You can't build trust in your service agreement program until you first build trust in yourself. Show a sincere willingness to do whatever is necessary to make sure your customers get the most value for their money.

5. PRODUCT KNOWLEDGE

Value can't be sold until the customer knows why your service agreement is better

The skills of a service technician aren't required to sell service agreements, but basic knowledge is. The consultant must understand the primary elements that affect air conditioning heat transfer, efficiency and reliability. Next, he or she must be able to communicate how your service agreement reduces operating cost, equipment breakdown, lost productivity while increasing cash flow and property value.

6. "PRODUCT"

People don't buy service agreements they buy benefits

Don't sell coil cleaning, performance testing and routine inspections, sell the benefits and results. Find problems—then sell solutions. Let future customers know what you really do: "We give you a competitive edge in today's market by lowering your operating cost and enhancing your employees' productivity"

7. PARTNERSHIP

Service agreements allow you to become your customer's long-term partner

View all service agreements as a long-term partnership with both sides winning. The key to a lasting partnership is how well you and your service agreement both perform. When the customer's expectations are continuously exceeded, service



Of the over 4,000,000 commercial buildings in America, only half have a planned maintenance program, just 13 % have variable air volume systems, and barely 5 % have energy management systems.

US Department of Energy



agreement renewals and new customer referrals can become a certainty. A long-term partnership and trust also increases your planned replacement opportunities and reduces the likelihood your customers will “shop”.

8. PROFESSIONALISM

Professionalism is ownership

The most successful HVAC salespeople treat their customer’s equipment as if it were their own. If they find a problem that’s been overlooked, they make sure it’s resolved. Professionals are viewed as unpaid members of their customer’s staff. As such, they have earned the right to complete the HVAC portion of the annual budget and help determine equipment retrofit and replacement schedule.

9. PROPOSAL

The best proposal usually wins

Sometimes, the only communication a decision maker has with you is through your proposal. If the customer doesn’t know you provide higher quality or added value, they will probably make a decision based on price. Value must be documented in writing. List each task you’ll do and explain the customer’s benefits. Document energy loss and potential savings. Include pictures, graphs, references list, copy of insurance and anything else that adds value.

10. PROOF

Show what “they say” . . . not what “you say”

Testimonial letters from your customers are the strongest form of proof available. Given an opportunity, most customers will be glad to let others know why they



should deal with you. To justify the need for your service agreement, show why yours is a bargain. (Remember, a bargain isn't what customers pay, it what they receive.)

- Use third party documentation from utility companies and government agencies that detail savings available with coil cleaning, proper refrigerant change and duct leak repair.
- Use ASHRAE manuals to show average equipment life and explain how maintenance can extend it. Annualize the cost of breakdown maintenance (i.e., cost to replace a large reciprocating compressor divided by 8 years, etc.) and show how common failures can be reduced or eliminated.
- Show your service agreement can pay for itself in energy savings, by providing charts, graphs and before and after energy bills.

11. PERSUASION

Persuasion isn't arm twisting it's building value through education

Persuasion is also a strong belief or conviction. If you believe a service agreement is in your customer's best interest, you have an obligation to help them own one. Since most people resist making a decision, even when it's good for them, you've got to ask for the order, answer questions or objections and be ready to ask again.

12. PERSISTENCE

It's not over till you get the order

More service agreements are lost due to lack of follow-up than any other reason. Like you, your customer's business is in a state of constant change. Priorities change. People move up, down or out. The key to successfully following up is finding another problem you can solve, having something new to say, or new information to share. If you've done a good job of profiling your customer, you should follow-up until they buy, from you, (or worst case) your competition. Service agreements are one of the most critical ingredients in your formula for success in the new economy. Put these 12 P's to success to work for you and watch your commercial service agreement base and profits grow.



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