

Five Pitfalls Of Managing Your Own Equipment Service

a Kappus Whitepaper





Thinking about managing your equipment service yourself? Here are five reasons why you may want to think twice . . .

At some point your equipment service bills pile up and you may think to yourself, *"I can do this for less myself!"*.

Or maybe you have encountered delayed response times a few times and think, *"If I had my own technician I could control what I want them to service and when."*

At first glance taking over your own equipment service may have a lot of appeal. Have you ever stopped to consider, however, what that really means for both you and your business? Following are five pitfalls some restaurant owners and operators have encountered when going this route.

A person is shown in silhouette on the left side of the page, juggling three balls. The background is a bright, hazy landscape, possibly a field or beach at sunrise or sunset. The person's arms are raised, and the balls are in various stages of being tossed and caught.

1.

Managing restaurant operations AND a service company.

If you are in the restaurant industry, you have most likely operated different types of restaurant equipment and probably even cleaned it from time to time. But have you ever really performed the service work yourself or managed an equipment repair service company? Do you have the capacity to do both jobs yourself?

Managing service for multiple store operations is a job in and of itself. If you are going to hire your own technician and take on managing the service as well, you will need to take into consideration all of the following:

- How do you collect, record and dispatch service work orders?
- Do these go to a centralized person or can anyone send a request to a technician?
- How do work orders get prioritized?
- How do you track response times, down time, or fix rates?
- How will the technician be trained on all of the equipment?
- What happens when the technician calls off, goes on vacation or leaves the company?
- Who is handling the hiring, firing and management of this individual?
- How do you measure the efficiency of the technician? Are you getting what you are paying for?
- How much time are you paying for them to drive from location to location?
- Who is on call? Is that technician always on call?
- How do you prevent from burning them out?

There is much more that goes into managing a service operation than just fixing the equipment. Processes, staffing, training, and systems all have an impact that require your time to manage.



2.

Costs aren't always reflected on an invoice.

It is easy to track expenses when you have a physical invoice and an accounting entry for all of the bills you have paid. However, have you ever considered the costs of doing business that aren't on those invoices?

For starters, this includes all of the items mentioned in number 1 above including: a work order/dispatching system, a truck, parts to stock on the truck, maintenance on a truck, non-productive drive time, payroll, benefits, taxes . . . and the list goes on.

And what about the cost of down time? In a study done in 2019 by [HAVI](#) on ice cream equipment, research showed that when a manufacturer authorized technician was dispatched on a service call, the machine was back up and running and producing sales within an average of 0.9 days. Conversely, when an authorized technician was not dispatched (read in-house technician or non-authorized technician) and the machine was not serving product, it took an average of 2.5 days before the machine was up, running and producing sales again.

So what are your average sales, or better yet, your average profit per day that you are losing in that extra day and a half of the equipment being down? Even worse, what is the customer satisfaction damage you are doing that may be irreparable. You are probably wondering why the equipment would be down longer with an in-house technician. From our experience, it is rare that in-house technicians or small 'man in a van' companies stock authorized parts on trucks because it is a cost they don't want to incur and their management (maybe you) want to keep their money in cash instead of inventory.



3.

Managing your most important assets.

Besides your people, your next most important asset is your equipment. How much have you spent on each piece of equipment? How old is the equipment? Should you repair or replace? Have you ever been blind-sided when a piece of equipment goes down and then you find out it's had 7 service calls in the past 3 months, is 15 years old, and has never had a planned maintenance done?

The bottom line is you should not be surprised. If you work with a reputable and well-run service organization you would have regular business reviews, including asset management reports, that help you plan for these instances before they happen.

Don't be short-sighted and look only at your cost per call. Look at the total cost of ownership over the life of the equipment and understand how you can make better decisions to mitigate costly results.



4.

Is the fox guarding the hen house?

Assuming you are not the one actually performing service while also running your restaurant operations, you may have someone on your staff to maintain and repair equipment. Do you know what this person's relationship is like with your store managers? What are the chances that co-workers are going to call out someone they work with every time they don't fix something correctly the first, second or maybe even third time? This person's job depends on them fixing your equipment right the first time and maintaining it correctly. What if grease is built up and it is not being cleaned properly so it wears the life of the equipment even faster? Or there is milkstone build-up in the ice cream machine that isn't being cleaned or maintained properly?

This person's job depends on you believing all is well. So many times we see in-house technicians who are taught to just get the equipment up and running so they can get to the next fire as quickly as possible . . . swap out parts and move on. Meanwhile the real issue persists but is not being addressed. If you're not an expert on this equipment and you don't inspect every day, then you may have issues lurking you're not aware of because there is no outside party informing you of training issues, lack of care, or improper use.

5.

You get what you pay for.

So you think you can pay a technician \$15/hour (or less) and have them be an expert on all of your equipment? While that sounds wonderful, it is highly unlikely. In today's evolving world of restaurant equipment, the technology and complexity in these machines is getting more and more specialized. How often is the technician in touch with the manufacturer of that equipment? How long do they spend looking up manuals and YouTube videos in order to fix specific issues? If they truly are an expert on all of your equipment, they will be expecting much more than \$15/hour, or they'll be looking for work elsewhere.

In addition, service companies that work on anything and everything in the restaurant from the cash register to the HVAC to the fryer and the grill are not going to have all the parts needed on their truck to have a good first time fix rate. What is a good first time fix rate? According to [CFESA](#), the average first time fix rate is around 60-65%. A good service organization that focuses on a certain line or type of equipment can achieve 85% or better. But that's only with stocked factory authorized parts on the truck and specific knowledge of that equipment.





These five pitfalls of using your own service or a 'man in a van' should give you enough to think about to run some numbers and start analyzing what good looks like and what you're willing to pay to achieve the results you want.

If you do have the volume and management capacity to use one of these service solutions, our recommendation is to focus your efforts on the simple pieces of equipment in your operations like coffee drip pots, flat top grills, entry level fryers, cash registers, and basic HVAC/plumbing maintenance. Leave the prime pieces of equipment that make your company money to the service professionals who specialize in those machines and will partner with you to help you run a better, more profitable business.

Let us take service operations off your plate. With over 70 years of experience providing service to the restaurant industry, Kappus has the specialization, capacity and resources you can count on.



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800.441.8089