

# For the Trenches

TIPS & NEWS FOR EQUIPMENT OWNERS AND OPERATORS

## Customer Service Agreements (CSAs)

*How to evaluate, choose and implement the right option.*



**Josh Gaynor**  
Service Solutions  
Center Manager  
Milton CAT

Let's start at the beginning – should you even have a CSA? When times are tough, many equipment owners believe that cutting down on service is a good way to save money. At first blush, it's hard to argue with that statement.

As with any outsourced function, Customers Service Agreements have a price tag attached. If your fleet has been well maintained overall, and no machine is giving you signs of major trouble, the temptation to handle all service and maintenance in-house is hard

to resist. What's the downside, you'll ask? Let's take a closer look at the major weaknesses.

### Planning

Whether maintenance is going to be internally handled by the owner/operator, or delegated to one of the staff members, there's no way around it – it is going to be just one of a multitude of responsibilities that have to be juggled by the same person who may also be in charge of bidding, estimating, managing personnel, invoicing, operating equipment... That person is now responsible for servicing and maintaining anything that rolls or has an engine, including earthmoving equipment, pickups and other trucks, wherever they may be. Even in larger companies with a dedicated team, it is a challenge. As a consequence of the impossibility to do serious planning, maintenance is often reduced to repair work.

### Scheduling

Performing a complete service requires taking the machine down, often for up to six hours or more for a 1,000 or 2,000 hour service interval. Can you afford to do that during the workday? Not really. Can you do it after hours? Sure, if you pay your workers overtime. Or you or your staff can do it at night or on the weekend, but that may be the only time you have to catch up with paperwork – and with life. So scheduling becomes a Catch-22. Trying to save money and doing it yourself you find that it is too expensive in terms of having your people tied up and your equipment down or, too costly in quality-of-life terms.

### Performing

This is the real test. Does your company have an experienced, dedicated team, with time to focus on serious service and maintenance, and not just give the quick eye-level exam followed by a "splash and go"? Do you have the software and the hardware required nowadays to perform tests on most earthmoving equipment? Do you have a complete list, by machine, of the services needed?

Besides performing a "check-and-replace," can the people assigned to do the service inspect the engine, the engine compartment, the hydraulic system, the drivetrain and the undercarriage and catch the small things before they become big? In other words, can they do the entire service, or just the basics? Speaking of the basics... what do you do with the used oil and filters after you replace them? Do you have a permit to dump them? Environmental regulations are becoming very strict, and you can find yourself heavily fined for lack of compliance.

### Tracking

According to professional service and maintenance veterans, this is typically an area that receives little or no attention from in-house teams. The reason is simple. Keeping track of when the service was performed and details about what was done to each machine in your fleet doesn't rank high when you have a thousand other tasks to perform. Maintenance work is performed on one machine and then you have to move onto the next. Why is tracking important? Having a clear record helps you in three major areas. An important one is machine utilization; a maintenance record allows you be more efficient, giving each machine no more or and no less



**Today's preventive maintenance service trucks are equipped to deliver to the site, all the capabilities of the shop.**

than what it can handle. Good records also allow you to see and follow trends on a machine over time and finally good reporting allows you to better schedule downtime and prepare for the next service on that machine.

As you probably already know, a clear record also pays back when it's time to sell or trade that machine. And lastly, let's also mention that well-kept maintenance records can help you substantiate any claim of product failure.

### Choosing right

What makes a good CSA? There is not one answer, and that's one of the most important points to remember. What's perfect for one company may be insufficient for another and overkill for a third. Actually, you may need different CSAs for different machines in your fleet. So take the time to evaluate the plans offered by your equipment dealer; make sure you explore all the alternatives, and if the plan you want doesn't exist – ask for it.

Some of the options typically offered include a “Do It For Me” type plan, where the dealer's team takes over the service and maintenance function either for the entire fleet or for some machines. This type of agreement puts the entire responsibility for implementing all of the service requirements on the shoulders of the dealer – planning, scheduling, buying parts and materials and performing all the manufacturers required and suggested tasks.

Another common CSA is a “Do It With Me” plan where the customer's service team and the dealer's service people share tasks, depending on machine utilization and location, and on the particular service interval. Typically the equipment owner's in-house service personnel perform the 250 and 500 hour machine services while the equipment dealer provides all labor and materials for the more involved 1,000 and 2,000 hour services.

The third prevalent option is a “Do It Myself” program. This program is for companies who choose to keep all maintenance activities in-house. For those situations, dealerships provide an array of complementary product support services including replacement parts options, software and training, fluid and diagnostic reports, and systems support.

A fourth alternative worth mentioning is a relatively new program commonly referred to as a Total Maintenance and Repair (TM&R) contract. This is a variation on the Do It For Me plan where the equipment dealer not only performs all the service and provides all needed materials but in addition, guarantees your maintenance and repair costs for a designated period of time, based on machine utilization hours.

### The support behind today's CSAs

As the market becomes more competitive and equipment gets more sophisticated, the back-office support



**Satellite communications provide a machine's real-time hours and location, so keeping track of the service needs of a fleet are no longer a cumbersome task and constant worry of the owner/operator.**

behind CSAs has also made giant steps forward to keep up with the new demands.

Your dealer may have an in-house Service Solutions Center that operates as a virtual fleet manager, centralizing and controlling the service and maintenance functions for their customers. Staffed by dedicated personnel and equipped with electronic and satellite-based tools, this enables the dealership to seamlessly handle tasks ranging from planning and scheduling maintenance needs based on a machine's location and utilization hours, to diagnosing fault codes sent via satellite and relayed to the owner's e-mail and/or cell phone, avoiding costly downtime. Whether performed by the customer or by the dealer, maintenance activities can be automatically time-stamped and sent electronically from the machine to the dealership thus providing a reliable record.

### And remember...

Talk to your Parts and Service Sales Representative or PSSR; that's the person who knows the most about how you use each machine and will be able to support you, finding the right plan or even developing your own CSA



Some dealerships are leveraging technology to better manage and implement their Customer Service Agreements. These “service centers” have the capability to remotely monitor machine location and use, and allow for the seamless scheduling of services before they are due.

program. When it comes to saving money and time, taking full advantage of your PSSR is a key move.

According to our experience with customers both large and small, the four reasons for having a customized CSA plan on your equipment are:

- **Resources**

Do you have knowledgeable, trained personnel to dedicate to the maintenance function? How about tooling and software, does your team have what they need to perform their functions? And on the machine side, can you afford to have equipment down during working hours?

- **Utilization**

When it comes to choosing the CSA that fits best, a lot depends on how, and how much you’re using a specific piece of equipment. Application – quarry or road building? Landscape or mining? Each one demands a different plan. How about workload? If a particular machine is going to be needed at a job seven days a week, 24 hours a day, you will want a very serious CSA to be attached to it!

- **Location**

If you have one or several machines that are on a remote jobsite, on hard-to-access locations or are diffi-

cult to reach by your in-house service team, a professional CSA may be the perfect answer.

- **Safety**

We mention safety at the end of the list not because it’s the least important consideration, but because we want it to clearly stand out. As you well know, some of the tasks required to perform a complete service and maintenance inspection can put the individual in harm’s way. Professionally trained service crews are also trained on safety, and they know for example which tasks are better performed in pairs, with a partner, instead of on their own.

**In summary.**

A challenging business environment makes it difficult to take the time to analyze carefully which cost-cutting measures make sense, and which may backfire and result in the opposite. It’s important to keep in mind that if your maintenance costs are spiraling out of control, eliminating professional service and maintenance may not be the best answer. Here’s a solution – talk to your PSSR. Take advantage of that free resource, and find out if and how a CSA makes sense for you.

# For the Trenches



**Up-to-date diagnostic and performance software plays a key role in keeping your machine running at peak performance.**

When all's said and done, no matter which service and maintenance option you decide to take, your goals are likely to be the same. You need to know that you have dependable equipment that will perform for you and return the investment that you made when you bought it. You want to use your people safely, efficiently and cost-effectively. And when it's time to trade or sell, you'd like to get the most from your equipment.

We hope that this article has helped you evaluate and choose the service and maintenance plan that makes the most sense for your company. ■

**Milton** 

*This article is part of a series of articles designed to help equipment owners and operators lower owning and operating costs. Other article topics include:*

*Emissions • Scheduled Oil Sampling • Parts Options  
Machine Evaluations • Certified Rebuilds • Getting the Most  
from Your PSSR (Parts and Service Sales Representative) •  
Safety • Financing*

**All articles are available on our web site at  
[www.miltoncat.com/articles](http://www.miltoncat.com/articles)**

Milford, MA 508-634-3400	Wareham, MA 508-291-1200	Cranston, RI 401-946-6350	Richmond, VT 802-434-4228	Warner, NH 603-746-4671	Hopkinton, NH 603-746-4611
Scarborough, ME 207-883-9586	Brewer, ME 207-989-1890	Syracuse, NY 315-476-9981	Batavia, NY 585-815-6200	Binghamton, NY 607-772-6500	Clifton Park, NY 518-877-8000