

Chris's Corner: Is a Hobart service contract a good investment?

My business, Hefner Food equipment, and Hobart itself, are no different than a lot of companies we all do business with. We and they offer what they call extended warranties or service contracts.

Despite what your personal experience may be with these contracts, in many instances they can be a good strategy and investment for the user of commercial food equipment.

One difference between Hobart's contracts and some of the others you may be familiar with is that you don't necessarily have to purchase your contract at the time you purchase your equipment. Most of the time, this simply isn't the case. The majority of our contracts are sold upon warranty expiration. In other instances, we will remind our customer they could have had a machine under contract and avoided a costly repair and then they will make the investment.

For the most part, any brand or model of machine can be put under one of our service contracts at anytime in the machine's life. The only limitation is that for machines not going straight from warranty into contract, the machine needs to be in proper working order with all or any manufacturer's safety devices intact. So for customer's with older machines, to put under a contract we will have to have recently done a service or repair call where we put the machine in proper working order or you can have us perform a certification inspection to verify the machine is capable of being put under a contract.

The value of the Hobart service contract lies in its coverage. For a flat annual fee, your machine is covered for repairs (not due to abuse or neglect) for one year, parts, labor and travel time during normal days and hours. If you would require overtime, parts would be still covered and you get reduced overtime travel and labor rates.

Over and above the coverage, we see a change in customer behavior that extends the life of the machine and reduces down time. Customers under a service contract tend to call anytime the machine is not working properly. Small

problems are taken care of and don't turn into big expensive problems. When you don't pay each and every time you call, you don't hesitate to call.

Some of our more progressive customers take the program a step further by building preventative maintenance inspections into their contract. We come annually, semi-annually or quarterly for a small additional charge and check over the machine, provide routine maintenance and lubrication and spot problems before they disrupt operations. Any repairs discovered through the inspections are repaired under the contract's coverage.

Those customers who use our contracts like the fact that it eliminates surprises from their budgets. On expensive equipment like automatic wrappers, dough mixers, rack ovens and meat grinders, repairs can be very expensive at times. By purchasing a contract, over time you spread out the expense. Some years, the contract costs more than what you would have paid out of pocket, but in most years the contract saved you money. However, for the most part, you know going in what you're going to spend to keep your machines running. That is what I call peace of mind.

If you have any questions or would like a quotation, email us at hefnerfoodequipment@comcast.net

Here are some sample prices, compare them to our chargeable hourly rate at \$86/hour, plus travel and parts:

4732 3 hp. Grinder	\$211.00 plus tax
20 qt. Mixer	\$259.00 plus tax
44" Conveyor Dishwasher	\$1935.00 plus tax
Quantum Service Scale	\$308.00 plus tax
Elec. Full Size Convection Oven	\$566.00 plus tax