

## Chris's Corner: From Sales to Consulting

I shouldn't be surprised as often as I am, but sometimes you have a trend staring you in the face and you just don't see the obvious until it whacks you hard.

More and more, customers are dipping their toes into the used equipment market. Locating and finding what you want is relatively easy depending on what exactly you want and how far away you're willing to buy.

With the internet and such sites as Craigslist, EBay and even Facebook you can typically find a used piece of what you are in the market for in a matter of minutes. Determining the quality, condition and fitness for service of said equipment is not quite as easy.

I, here, at Hobart do not emphasize or push used equipment sales as a major strategy. One of the main reasons is I don't have the manpower and time available to refurbish a piece of equipment to the standards that my customers would expect from us. They want rebuilt, I don't have the time to do it.

I am however opportunistic about purchasing and rehabbing our electronic scales. Typically we stock the parts on hand and getting a scale in top notch condition often times is not a matter of time but investment in the repair parts. We have to buy right to be able to afford to repair the units and still be able to pass along a superior value to those customers who, for whatever reason, choose to purchase a used scale. Often times these customers cannot afford to buy a technologically state of the art new unit and are ecstatic to get the previous generation at a good price.

The thing about scales is not so much the device; it's basically a computer that holds data, weighs and prints labels. The hard work is configuring the machine, loading the data, etc so that it functions as desired. So when a customer purchases a new or a used scale from me the back end functions we must perform to deploy the scale are factored in the price.

It's not like a slicer or mixer or other machine, where you unbox it and install it and it's ready to run. A scale is only as valuable as the preparation, planning, programming and training put into it. Often times this entire process is out of view of the customer's sight. All they often see is us walking in, plugging in the unit and training the operators. They don't see the cost to us of laying the ground work and they don't see a bill for our work as it is in the price of the machine.

Now let me say, if you have 5 scales that are all the same in your store and our all programmed the same, adding another scale of the same type that will function the same as the rest isn't as much work as starting from scratch, but there still is a lot of work involved.

The biggest transition and back end work load are often encountered when going from an older model to a newer model. This is difficult because the back end programs are different and customer data often needs to be converted and gently massaged to be incorporated in the new system. New features and operational requirements need to be added to existing customer data. It isn't plug and play.

Which brings me to the new trend I am encountering, customers are buying used scales on the open market. Unless they're buying a simple pricing scale, how are they going to get it to work? Who is going to

show them? Who is going to set it up? Who is going to transfer and convert files? Who is going to train managers and operators?

Some customers believe and some people accept that they simply need to place a service call and a technician will come out and perform the job for the price of labor and travel. But the truth of what we are talking about is that most of the functions I have described in the context of scale installation are actually functions of the sales department. Yes, to a degree a technician is qualified and would be able to adequately do the job but they do not do this on a regular basis and do not know the ins and outs of the process fully. They certainly can make the scale run, but can they make the scale hum? Knowing how the mind of a technician works, I don't think so.

In my 30 years in business, I have managed hundreds of scale projects and installed probably a thousand or more scales. I deal with these projects from start to finish and ongoing as a customer needs and desires change and with it the programming of the scale. I am with these units from birth to death and I know what I am doing.

So as I now find myself dealing with this new situation, I find that in order to be compensated for my expertise and the expertise of my technicians we have to create a new system to deal with these new customer needs. In mulling it over, I have determined that if the customer is not buying from me, I am no longer a sales person.

What am I? I suppose I am now a project manager or a consultant. I am not nor have I ever been an hourly employee. I have never been one to count the hours involved on a project and make sure I am on budget internally; I get the job done. As such, the reasonable way for me to serve my customers properly and get revenues for my efforts is

to charge a flat rate per unit for a total package from start to finish. My previously invisible and unbilled work will now have to be billable to the customer. I think this will be a tough transition for my customers, but if they sit and think about how it has all worked in the past and how it has to work going forward, they will understand and embrace it.