



Turn routine oil changes into a profit center while building long-term relationships with contractors.

Everyone in the construction industry knows the importance of preventive maintenance (PM) to optimize machine uptime and the health of their equipment fleet over its lifespan. However, many equipment dealers struggle with the role they play in the process for their customers. While many large equipment dealers work with OEMs to offer extended service contracts on new machinery processes, there are missed opportunities when selling used equipment and supporting the existing machinery in a customer's fleet. There are also several questions about how to sell service to customers during the sales process or after the sale, as well as concerns about how a dealer ensures it can perform PM services in a timely fashion for its customers.

In this dealer PM guide, you'll learn about:

- Benefits of offering customers PM service plans.
- Tips for talking to customers about PM programs.
- Ways you can streamline routine fluid changes.

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for dealers and customers

SECTION 1:

BENEFITS OF PM FOR DEALERS AND CUSTOMERS

How does it benefit your dealership?

Where you focus your staff's attention is where you can potentially grow your dealership revenue stream. Also, when you can help minimize your customers' downtime, you create happier and more loyal customers. Customers that can maximize their productivity because they are not dealing with downtime can be more successful and drive more business through your doorway.

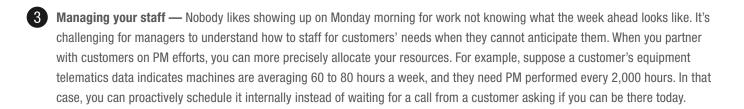
Here are a few ways your dealership can benefit from PM programs:

Additional revenue streams — Selling equipment is a one-time revenue event, while selling service is an ongoing revenue generator. If you do not offer PM programs, many customers may pull in other resources, from taking on PM themselves to enlisting other service providers to care for the equipment in their fleet. In many cases, all you need to do to make yourself the customer's first choice for service is let them know you're up for the task and ready to partner with them.

Offering your customers flexible service options for PM care is a win-win for your business and theirs. The ways PM programs can support your business range from increasing dealership profit margins to assisting customers with a critical business component that is often not a focal point for their business.



Dealership loyalty — Downtime can impact customers' perceptions of the brand of equipment they are operating and the dealership that sold it to them. To generate repeat business, every employee at your dealership needs to be committed to providing the very best ownership experience for customers, for as long as they own a piece of new or used machinery purchased from your organization. However, if you want to stand out from the competition, you can also make sure equipment they didn't purchase through you is also properly maintained.



4 Better inventory management — In addition to planning your service team's time based on the anticipated PM needs of your customers, you can also stock your inventory of consumable parts based on those service intervals.



Quality used equipment — When your customers have PM plans, you better understand how well their machinery has been cared for. You know it's up to date on all manufacturer-recommended scheduled maintenance. In addition, your customers have an ongoing relationship with the people at your dealership. So, when it's time for them to upgrade their fleet, you will likely get the first chance to sell them something new and take their older machinery on trade. A well-cared-for machine usually brings in more money when it's resold than something that doesn't have service records to back it up.

How does it benefit customers?

PM programs also benefit customers in several ways. Here are some great ways to sell it to them.

- Managing operating costs Customers should consider adding a PM program when purchasing a piece of equipment because you (the dealer) can include it as part of their financing package. Doing this helps your customer better manage the ongoing operating costs of that machine while helping to ensure their investment is cared for throughout the terms of the contract.
- Reduced planning and staffing needs Busy customers don't have time to anticipate the PM needs of every machine in their fleet. Larger construction companies committed to caring for their equipment on their own end up hiring additional staff to keep track of it all. And many still rely on their dealer to keep it all straight. Approach customers about taking over their PM efforts so they can offload a huge part of their daily responsibilities, freeing up time to focus on generating more revenue. The extra out-of-pocket costs of enlisting your services are typically recouped through increased productivity.

Also, to efficiently perform routine PM, you need to have the right equipment, tools and service technicians. Many small to medium contractors will ask members of their teams to pull double-duty to perform PM using tools that may contaminate machine systems or create environmental hazards through spilled fluids. You can help them do better by letting their team focus on what they do best while your team does what it does best.



- 3 Stop the break-fix mentality Downtime robs customers of productivity and lost wages. Unfortunately, many fail to be proactive about the needs of their equipment, and downtime becomes a regular part of their business operations. It doesn't have to be that way. Part of any quality PM service should include inspecting a machine for potential issues that may crop up between service intervals. Performing regular PM can help reduce the likelihood of significant machine failures. This will minimize downtime while potentially saving in parts and labor costs.
- Better equipment resale value Subscribing to the manufacturer's recommended service schedule can help customers looking to get top dollar for their used equipment either on trade-in, at auction or when selling to a private party. One of the first questions buyers ask when kicking the tires on a used piece of equipment is, "Is there anything wrong with it?" When they enlist a dealer to make sure PM is performed when recommended, they can assure potential buyers the machine has been correctly cared for and they have a service record to back it up.



SECTION 2:

BUILDING AND SELLING PM PROGRAMS

Now that you understand how PM programs benefit your dealership and customers, the next step is to determine how to create programs and make customers aware of the options.

CREATING PM PROGRAMS

Many equipment manufacturers offer their own extended service programs and warranties. They have already thought about the costs of maintaining a particular piece of equipment through the first two to three years of its service life. It's a good idea to make sure your sales and service teams are familiar with these programs' details and how long after a sale these programs can be added for a machine. A customer has up to a year to add an extended service program in many cases, so be sure you're not just asking about it one time.

Outside of new equipment purchases and programs developed by the manufacturer, you can also work with your customers to create programs that benefit you both. These programs can range from offering to handle all routine PM over a certain period at a discounted rate to negotiating rates to help maintain their entire fleet of new and used equipment.

When creating a custom program for a customer, start by inspecting the equipment that is part of the program. Get an idea of each machine's current condition and what maintenance has been performed. After that, the first step should be to bring each machine up to date on the manufacturer's recommended service schedule.

While creating PM programs for customers can feel complicated at first, the process can help deepen your relationship with them. Plus, it helps you manage your staff according to their needs. Just be sure to give customers options and work with them as a partner throughout the process and life of the PM program.



SELLING PM PROGRAMS TO CUSTOMERS

One of the biggest hurdles to getting PM programs started with customers is simply having the conversation. Most salespeople will bring it up during the financing part of the new equipment sales process, and then no one from the dealership ever brings it up again. This approach works fine when working with customers who are thinking about their business beyond their initial purchase price. But most people don't take that approach.

During the purchase processes, customers are more focused on their monthly payments and keeping them as low as possible.

Maintenance is an afterthought. Discussing ongoing maintenance expenses during a purchase may be appreciated by some customers. Others may perceive it as an attempt to upsell them on something they don't think they need.

Therefore, you should develop a system that involves all team members they will interact with during their first year of working with your dealership — sales, service and training personnel.

- Your sales team should be checking in to make sure their customers' ongoing needs are being met and discuss the benefits of PM programs.
- When training a crew on operating new machinery, include information about the need to perform scheduled PM. Explain how you can help.
- As part of the onboarding process, your service team should introduce themselves to customers after the sale. They should make it a point to reach out to customers through their first few months of operations to see how they plan to handle maintenance. When they are servicing a machine sold by your dealership, they can discuss potential options for providing service for the rest of the customer's equipment fleet.





To get more customers thinking about their long-term PM needs, have conversations early and often.

SECTION 3:

STAYING ON TOP OF CUSTOMERS' PM NEEDS

The other piece of selling PM plans is making sure your team is reliable, dependable and efficient. Customers talk with subcontractors and other contractors, so you better have a good track record of delivering the value your team is selling.

Ensuring the equipment you sell is equipped with telematic systems allows you to track when equipment needs to be serviced and its location. But you still need to make sure your service technicians can do their jobs efficiently and cleanly. Buckets of fluids in the back of a service truck aren't the answer. Quality dealers invest in mobile lube systems that ensure they can perform fluid exchanges quickly without outside contamination and spills.

When you ask customers to invest in PM, make sure you hold up your end of the deal. You can add mobile lube systems sized for customers' needs on the jobsite and back at the shop.

Spec'ing mobile lube systems

To ensure you get the right lube system for your dealership's needs, you need to consider mobility, system/tank sizes, CDL requirements, pump type and accessories needed to make the job go smoothly.

Lube system mobility

Mobile lube systems come in many shapes and sizes. Deciding which one is right for you starts with determining where it will be used. Your options range from lube carts, skids, trailers and lube bodies to a customized system.

- If you are only doing fluid exchanges back in the shop bay, you may be able to get by with a lube cart, depending on your shop floor's layout. You may also want to consider the benefits of using a mobile solution on jobsites.
- For performing more substantial service-interval PM, a lube truck will allow you to carry larger volumes of fluid.



 If you perform frequent oil changes in the field for small equipment, you may want to add mobile lube equipment to your existing service truck using customizable systems like the Sage Oil Vac Lubebuilder™. This system allows you to choose the number and size of tanks that fit your available space and needs. Sage will send all the necessary parts for you to install the system.

System size and tank capacities

Next, you'll want to dial in the size and capacity of your mobile lube system. This requires you to determine the number of tanks and fluid capacities you'll need. Mobile lube equipment typically includes two to eight different tanks ranging from 10 to 250 gallons. The size and number of tanks you need depend on the size of the equipment you're servicing and what you intend to do with your mobile lube system.

- For performing a 250- to 300-hour PM on jobsites, you'll
 need a mobile lube system that can hold large volumes of
 fresh fluids, including engine oil and hydraulic fluids, and that
 has a large waste oil tank.
- You'll need even larger tanks for 1,000- to 2,000-hour PM in the field.

CDL requirements

To go along with mobility and fluid capacities, you also need to think about how your mobile lube system will be transported up and down the road. Smaller trailered systems can be pulled to and from the jobsite, but if you're going to be stepping up to a commercial lube/fuel truck, you need to start thinking about commercial driver's license (CDL) requirements.

Typical truck mobile lube systems range from Class 5 to Class 8, representing a specific gross unit weight range. Once that weight gets above 26,000 pounds, the vehicle driver must have a CDL. You will then have to determine if you have service technicians who have CDLs, hire techs that do, or take steps to help them get licenses. Another option is to invest in a Class 5 or 6 service truck — a size that doesn't require CDL. While there may be trade-offs in the capacities of fluids that your techs can haul up and down the road, you gain the advantage of employing individuals who do not have to have CDLs. These smaller service trucks are also more fuel efficient on the road and more nimble than larger units on jobsites.



Pump type

With sizing out of the way, now it's time to evaluate the mechanics of the mobile lube system, including the pumps used to transfer fluids. Most lube equipment manufacturers use mechanical pumps, which have several drawbacks. Maintenance and repair are the most significant ones. Failing pumps that need to be replaced or rebuilt are typical. And since each tank on a mobile lube system has a diaphragm and a mechanical pump, maintenance and repair needs for these systems can be time-consuming and costly, including equipment downtime.

A more reliable fluid system option is the Sage Oil Vac vacuum technology, which uses compressed air to push oil out of the tank — no pump required. To fill the tanks or to suction up used oil, you simply need to reverse the process to create a vacuum within the tank. When the valve is opened, suction is created as the tank equalizes. It's a much faster process than what you'll get with a mechanical pump.

Since there are no moving parts inside the tanks, vacuum systems are completely sealed. Mechanical pump systems require air breathers so tanks can vent, which can lead to contamination over time.

Accessories to make the job go smoother

After determining the main spec requirements to service your equipment fleet, you should consider what accessories are available to help reduce the chance of fluid spills and speed up the process. The following are the accessories most widely used with Sage Oil Vac mobile lube systems:

- Grease kits to help speed up daily machine maintenance.
- Filter draining receptacles to help reduce the likelihood of filters dripping oil all over the service vehicle.
- Drain pans and drain plugs that allow a direct connection between the hoses on the lube system and a machine's drain pan. These options will reduce the risk of spilling fluids and make oil changes faster.
- Specific to Sage Oil Vac, the NextLube monitoring system includes a touchscreen display that allows the service technician to track how much fluid they are adding more closely.
- Barrell straws, an exclusive Sage Oil Vac design, allow you to vacuum fill your product tanks if you would like, eliminating the need for transfer pumps and filling in the tops of your tanks. They ensure the vacuum process is 100% selfcontained to reduce spills and prevent exposure to outside contaminants.











CASE STUDY:

MICHIGAN CAT

Michigan CAT services and maintains a group of power generators in Michigan's lower peninsula. This job requires the removal and replacement of 110 gallons of oil for each machine. Using conventional means — typically delivering two 55-gallon barrels of oil to the jobsite, switching out oil manually, and returning used oil barrels to a central shop — Michigan CAT service technicians averaged almost three hours per oil change.

To break the time savings down further, let's do some math. Michigan CAT started their oil exchange process by loading two 55-gallon drums of oil into their truck before driving to the generator. The generator holds 110 gallons of oil and takes 55 minutes to vacuum the used oil into two empty drums. Then it takes an additional 55 minutes to pump two new oil drums into the generator. Once this is complete, the operator returns to the shop to dump the used oil into

a used oil tank for another 55 minutes. Overall, the total oil change cycle takes about three hours.

After switching to a Sage 1C5F-2100 preventive maintenance (PM) trailer, Michigan CAT techs got the same job done in just a fraction of the time. Before leaving the shop, it took 13 minutes to fill the 1C5F-2100 PM Trailer with two drums of fresh oil. Then it took about 13 minutes to vacuum the used oil from the generator, 30 minutes to refill it with fresh oil and another 13 minutes to discard the used oil when they returned to the shop.

In many cases, technicians save enough time to conduct at least one more oil change per day, enabling operators to create new efficiencies, service more equipment and build new business growth opportunities.

BEFORE SAGE OIL VAC TOTAL MINUTES 165



WITH SAGE OIL VAC TOTAL MINUTES 69



As you can see, investing in a mobile lube system can make a big difference.

Conclusion: PM programs are a win-win for dealers and customers. Developing PM programs at your dealership benefits your business and your customers. And with Sage Oil Vac mobile lube systems, you have options available to perform the work efficiently and professionally.

If you have additional questions about getting started, the team at Sage Oil Vac would be happy to help. You can learn more by contacting your nearest Sage Oil Vac dealer or by visiting sageoilvac.com.



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