

A close-up photograph of a hand about to ring a service bell. The bell is dark with a gold-colored rim and a small knob on top. The background is a warm, golden glow.

successful service

secrets of running
an effective service
department

At Applied Business Concepts, successful service begins with having the right people in place.

by Scott Cullen

You don't have to tell Ben Ragusa, president and owner of Applied Business Concepts in Baton Rouge, La. about the importance of service. A 34-year veteran of the office equipment industry, both as a dealer and a Lanier executive, Ragusa knows what it takes to run a successful business and how to keep not only his customers but his employees satisfied. So, it's no surprise that when Ragusa was looking

to open dealerships in Baton Rouge and New Orleans five years ago, two of his first hires—months before he opened his doors for business—were his service managers. "We didn't even have customers, so there was no service for them to perform," he notes.

No matter, Ragusa bit the bullet and lost money on his service operation his first two years in business, investing in people, equipment, inventory, parts, and training. "I knew if I marred my reputation with poor serv-

ice or no service, I'd never be able to recover," maintains Ragusa. It was a gamble that paid off handsomely. Today, Applied's service operation is responsible for revenues in excess of six figures.

One of Applied's secrets for running a successful service department as well as a successful business is having the right people in place. For Ragusa, that means conducting as many as four interviews with prospective candidates, IQ tests, checking

references, and background checks. Once the candidate is hired, he or she is issued a password to enter the building and the code for the burglar alarm. "Our attitude is if we can't trust them, we shouldn't have hired them," says Ragusa.

Another component of Applied's successful service operation is that the operation is fully supported by the owner. Frank Fernandez, Applied's assistant vice president of technical services, explains that not only is Ragusa a flexible employer, he's also a wonderful motivator who understands the importance of praising his people for a job well done. It's one thing to impress the boss, but impressing customers is what helps Applied Business Concepts' service department stand out from the pack. Fernandez notes that the company frequently receives letters from customers praising the work of its service technicians.

A warm, fuzzy atmosphere also goes a long way toward ensuring Applied has the right people. There are no time clocks, meaning all employees, including service technicians, are trusted to come in and do their jobs. If they need to take time off to go to the doctor or renew their driver's license, they're free to do so after telling their supervisor, and they aren't docked for the time. The result is a team of loyal employees who typically make up that lost time by coming in early, staying late, or putting in extra hours when necessary.

Being flexible and having the right people are key components of Applied's service operation, but keeping technicians up with the latest technology is critical for success. For Ragusa, that begins with hiring technicians who are computer literate. "If they don't own a PC, they probably don't know how to use one," observes Ragusa, who feels that knowledge of

basic application software, such as Word and Excel, is something that every service tech should have. "They don't need to be a CNE, but they cannot be afraid of computer products and the digital world."

Ragusa has always been a firm believer in training and spares no expense in this area. Fernandez spent two weeks in training this past January and reports that he had technicians in training every week in January and two out of four weeks in February.

Unlike some dealerships who send one technician to school and then have that technician come back and train the rest of the staff, Ragusa's philosophy dictates that a minimum of two people are trained on every product. Being a small dealership with a small team of technicians on staff—four in Baton Rouge, four in New Orleans, and one floater—means this is a challenge both economically and from a time perspective.

Fernandez maintains, however, that all of this training pays dividends in the end as technicians are much more confident when they go out into the field to fix a machine that they've spent a week tearing apart and putting back together in training sessions.

Ragusa notes that Applied's service department is well managed with Fernandez at the helm. Ragusa lauds not only Fernandez's technical expertise but his ability to communicate with the rest of the company's technical and sales staff.

While some service managers may fall into the "I'll just do it myself" mode when a technician encounters a difficult service problem, Fernandez takes the time to share his expertise with his staff. It's a formula that works. "Everything I know I pass on," says Fernandez, who also notes that he learns new tricks of the trade from his

techs in the field. "It's a two-way street," he says.

Ragusa also has learned a thing or two about service in his 34 years in the business. First and foremost is that promising customers two-hour response time is totally unrealistic. He points out that for some dealers this might refer to telephone response time. Add traffic problems, particularly in major metropolitan areas, and weather conditions, and this is a difficult promise to keep.

At Applied, the company aims for a four-hour response time on a down machine, although a technician already in the area may be there in 35 minutes. "Customers have heard enough of this two-hour malarkey and know it's horse manure," opines Ragusa. For machines that aren't down but might be acting up, Applied usually has someone there within eight hours. And Applied's customers are willing to accept this knowing that it's a good bet that when someone gets there, their problems will be solved. If not, Applied will provide them with a loaner at no expense to the customer.

Applied Business Concepts may not be all that unique in its approach to service. But it's been successful. When asked if he would do it all over again and take a hit the first two years in business to get the service operation to the point it is today, Ragusa replies, "Absolutely, it has been the right thing to do." And with no regrets, Ragusa remains confident that customers doing business with Applied Business Concepts are getting only the best when it comes to service. Ragusa and his service staff wouldn't have it any other way. d

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