

TRUCK PART SALES

KNOW YOUR CUSTOMER,
WIN THEIR BUSINESS



KEVIN R. GAUTHIER

Truck Part Sales

*Know your customer,
Win their business*

Kevin R. Gauthier

Aurey Publishing



*This book would not be possible without the guidance and mentoring of many
and the patience of my wife. To you all, thank you!*

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that neither the author nor the publisher is engaged in rendering legal, investment, accounting or other professional services. While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. The advice and strategies contained herein may not be suitable for your situation.

Any trademarks, service marks, product names or named features are assumed to be the property of their respective owners, and are used only for reference. There is no implied endorsement if we use one of these terms. Nothing in this Guide is intended to replace common sense, legal or other professional advice and is meant to inform and entertain the reader.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, without the prior written permission of the author.

Truck Part Sales: Know your customer, Win their business

ISBN:

©Aurey Publishing 2024

First published 2024

Written by Kevin Gauthier

Contents

Introduction	1
Chapter 1 – Customer Types and Levels	3
Chapter 1b – Fleet level 2	7
Chapter 1c – Fleet level 3	11
Chapter 1d – Garage level 1 (mobile)	13
Chapter 1e – Garage trailer level 2	16
Chapter 1f – Garage truck level 2	17
Chapter 1g – Level 3 trailer	19
Chapter 1h – Level 3 truck (dealer level)	22
Chapter 1i – Level 3 specialists E.T.D.	25
Chapter 2 – Types of Buyers and Their Behaviors	27
Chapter 2a – Garage owner	30
Chapter 2c – Parts manager	34
Chapter 2d – Parts clerk	36
Chapter 2e – Mechanic	37
Chapter 2f – Gofer	39
Chapter 2g – Municipal buyer	39
Chapter 2h – Fill-in	40
Chapter 3 – Reasoning and Methods of Purchasing	41
Chapter 3a – Speed and availability	42
Chapter 3b – Quality	45
Chapter 3c – Brand recognition	47
Chapter 3d – Availability	49
Chapter 3e – First fit	52
Chapter 3f – Price	53
Chapter 3g – Volume discount	54
Chapter 3h – Relationship	57

Chapter 4 – Cost Considerations	61	Chapter 8a – In-house repairs	108
Chapter 4a – Investment in quality. Durability or efficiency	62	Chapter 8b – Independent shop / Mobile units	109
Chapter 4b – High-quality investment	64	Chapter 8c – Dealership, truck and trailer	111
Chapter 4c – Monthly or annual budget	65	Chapter 8d – Cost of repairs, including downtime	112
Chapter 4d – Lack of faith in mechanics/drivers/warranty	67	Chapter 8e – How to calculate in-house costs, and risks	114
Chapter 4e – The bare minimum	68	Chapter 8f – How to calculate outsourcing costs, and risks	115
Chapter 5 – Quality Considerations	71	Chapter 8g – How this decision is made	118
Chapter 5a - The cost quality graph	73	Chapter 8h – Conclusion	120
Chapter 5b – Quality vs price scenarios	74	Chapter 9 – Definition of a Customer Relationship	123
Chapter 5c – Vehicle under warranty	79	Chapter 9a – Reliability	123
Chapter 5d – Fleet is keeping the unit for 3+ years	80	Chapter 9b – Honesty	124
Chapter 5e – Fleet is selling unit soon	81	Chapter 9c – Available	125
Chapter 5f – Flipping/reselling	83	Chapter 9d – Dealing with abusive customers	126
Chapter 5g – Fleet just bought used	84	Chapter 10 – Difficult Competitive Situations	131
Chapter 5h – Warranty issues	85	Chapter 10a – Well served/happy with competitor	131
Chapter 6 – Types of Payers	87	Chapter 10b – Never heard of your company (or you)	132
Chapter 6a – Credit card payment / cash	87	Chapter 10c – Former customer (they left)	133
Chapter 6b – Net 30 (read net 90)	89	Chapter 10d – You made a mistake (or lied)	134
Chapter 6c – Consignment	90	Chapter 10e – If you’re losing to: ...	135
Chapter 6d – Non-payment	92	Chapter 10f – If you’re losing to: a relationship	135
Chapter 7 – Types of Returns	95	Chapter 10g – If you’re losing to: lower price	136
Chapter 7a – The customer or unit is unavailable	95	Chapter 10h – If you’re losing to: better service	137
Chapter 7b – Bought everything, only needed one thing	97	Conclusion	139
Chapter 7c – Diagnosis by part replacement	99		
Chapter 7d – Delivery first, price second	101		
Chapter 7e – Warranty	103		
Chapter 7f – Honest customer mistake / your mistake	103		
Chapter 8 Fleet Repair Decision Making - Maintenance and Repairs	107		

Introduction

There are few industries more important to the modern world than the transportation industry. Within the transportation industry Trucking stands tall as the most complex and personalized segment, if not the largest. The transportation of goods relies heavily on rail and overseas transport to cover extremely long distances, but there always comes a point where a truck needs to move a trailer of goods to a final destination. These trucks and trailers work incredibly hard and it's at times difficult to imagine the tens of thousands of pounds being pulled down highways and over mountains by relatively small 13 to 15L diesel engine trucks.

With all this difficult work being performed by equipment every day there is a constant need for the repair, adjustment, lubrication and replacement of Heavy-Duty truck parts and systems. The sale of these truck parts is not like any other product and is quite unlike the sale of consumer goods where a typical mistake or problem causes a bit of inconvenience or discomfort. The sale of replacement truck parts must be done properly. It is the responsibility of the replacement part salesperson to understand the needs of their customers. This means understanding the kind of equipment they use, how that equipment is operated and under what conditions, as well as understanding the short-term and long-term goals of the company regarding the equipment they operate.

As with any industry, the trucking industry sees many different types of companies that offer different value propositions and seek to earn their profits in different ways. Some fleets may lease all of their equipment and pay for all maintenance and repairs to be done by the lessor. They provide the drivers and either have contracts to transport goods or find contracts on the spot market. Then some companies do all of the maintenance and repairs their fleet requires, operating a full garage operation in the hopes of capturing the often-outsourced repair costs as their profit. Of course, there also exists

every type of fleet in between and hosts of companies who support them.

Understanding where your customer's fleet or garage lands on the spectrum of what equipment they run and how, as well as how they manage that equipment is essential to:

- Assure the correct parts for the job are proposed
- Assure that the salesperson does not waste the customer's time by proposing parts or services that are useless to them
- Assure that the salesperson does not insult the customer by illustrating that they (the salesperson) don't understand their customer's business

This book aims to teach you how to quickly and accurately understand the customer or prospect and then how to approach them properly and efficiently to maximize your selling time, every rep's most sacred resource. The average customer or prospect does not have the time or inclination to hold your hand and teach you how to sell to them. And besides, they probably didn't open yesterday. They likely know very well where to buy the products they need and what you are mainly trying to do is change this habit so that they buy from you. The quickest and surest way to do so is by efficiently proposing better and less expensive parts *correctly*. That's what this book aims to teach you, and much more.

Chapter 1 – Customer Types and Levels

In this chapter, we'll be discussing the different levels of Fleets and Garages. On a certain level, it's easy to tell a trailer shop from a truck-focused shop. What's less obvious is the specific services the shop or fleet for that matter, focuses on. With a better understanding of what a shop does, you can tailor your message and offers to any customer to get the most out of both your and your customer's time. Understanding better what your customer does and what they care about will help you win.

There are many types of services in the transportation industry and there are just as many types of services supporting the transportation industry. Just as a transport fleet may serve local or long-distance customers a garage may choose to focus on one type of service. Just as it would be difficult for one transportation company to be efficient in all forms of transportation (on- and off-highway, refrigerated and oversized), it would be very difficult for one garage to be efficient in every form of repair and maintenance. Not only does the equipment required differ immensely, but the specialized knowledge required is also vast.

One thing that has to be made clear is that when I say a lower Level, it is not a pejorative and a higher level is not some exalted state of being. All levels are different in what they do, but also in their relative competitive advantages. Just because a service seems simple or basic, does not mean it is a lesser company. Also, just because the service offered is highly technical and impressive looking does not mean it is profitable. This chapter only aims to show how they operate, what

they do focus on and what they do not focus on, to show how they can best be sold to and served.

Chapter 1a – Fleet level 1

Fleet Level 1 is the most basic of equipment operations. Bordering on a logistics company, they will not have the trained personnel nor the equipment to do very much work on a vehicle. It's possible that they don't even have a designated individual to look after even minor issues like topping off fluids or windshield wipers. But even though they probably don't even have many people comfortable boosting a truck, they will still need supplies that you can sell them.

Even if a fleet outsources all of their maintenance and repairs, there are still things they need in the day-to-day of operating equipment and making deliveries. With that being said, to offer them so much as a headlight assembly, no matter the price, is probably a bad idea. Don't put your customer in a position where they have to explain "we don't know how to do that". You also want to be careful not to encourage someone to overreach relative to their skill level. If you make a sale like a headlamp and then the vehicle can't go on the road because someone damaged the existing light or the new one, you're damaging your relationship with the customer even if you made the sale with the best of intentions.

What this fleet will need is gallons of oil. Not barrels, but gallons that can be easily poured to top off an engine. Same for coolant. They will need glad hand seals, fifth wheel release hooks, and work gloves. Regular consumables, tools and basic items are often worn out or lost. While this will never be a top account, it'll be worthwhile to call on them every few weeks to top them off. Consider keeping a simple list of basic items and maybe setting up a small consignment (more on consignment pros and cons later) in their building. With

the Level 1 Fleet ask yourself, what could a driver with a good attitude do? For example, they can change glad hand seals, top off fluid levels, and they probably need to strap in trailer loads with some sort of load strap. Consider this when choosing products to offer.

If you have a promotion with many different parts for sale, you can use this to your advantage to build rapport and show your customer that you understand them and are looking out for their best interest. Let's say you have a flyer for the monthly promotion with 5 items on it:

1. 15w40 bulk oil
2. Fuel pumps
3. Synthetic grease
4. Batteries, series 31
5. Truck hoods

You may think that a fleet with little to no mechanical expertise has no business buying any of these things except maybe the grease. But even that is a poor idea because you need to know where to grease, and how to grease. It's also useful to know what sort of grease should go where, and when (different seasons can call for different types of grease). But let's go through the list and discover sales opportunities where none were obvious.

15w40 bulk oil – We already discussed how the need is for simple one-gallon containers for easy top-offs. Use the flyer to show that you understand they don't need a large bulk oil system, this is probably not an opportunity to offer a digitally monitored tracking system with a hose-fed gun to top off engines unless they have a problem with monitoring oil use. The added benefit of tracking

which drivers or trucks are taking more oil can be a huge benefit to a fleet. It can also reduce the odds of someone forgetting to mention they took a gallon or two if they need to punch in an I.D.

Fuel pumps – Driver’s fuel regularly. In very cold climates they fuel every day because a metal tank can build condensation in the winter which degrades fuel quality. So why not offer specialty gloves meant for handling fuel-type liquids so driver’s hands won’t smell of diesel after fueling, or offer instead additives for extreme weather? The fuel pump is on sale, but use it to have a better conversation that your customer will want to have.

Synthetic grease – A simple grease job is a very important job and someone should know how to do it properly before trying. But how about hand bottles or small packets of fifth-wheel grease? This can make a driver’s day much more pleasant, not to mention adding to the longevity of a fifth wheel or the trailer top plate.

Batteries, series 31 – They probably won’t replace truck batteries, but will they boost them? Booster cables or better yet a boost pack could be the order of the day. It’s also as good a time as any to ask about hand radios, flashlights, or anything else that may need batteries. A 20-pack of AAA batteries won’t make your year, but they do add to your year and besides, it keeps your customer coming back to you for more and you don’t know how a fleet may evolve. You also don’t know where buyers may move to in the future.

Truck hoods – Replacing a truck hood is a fickle and relatively delicate process. A hood can easily be the wrong one or it could be damaged during installation. But why not offer truck cleaning products or snow brushes? Yes, this one is a bit of a stretch but it still illustrates the point that being aware of a customer’s abilities as well as their needs and interests will get you more business.

I began by saying that this type of customer will never be your top customer. I proceeded to offer how you can take a flyer with nothing the customer can use and still make use of the flyer to propose products. This is a lot of work for what seems like little reward. The question you should ask yourself is “why bother?”. It’s a good question. There are only so many selling hours in a day. There are two answers to the question. First, this type of customer should probably only be called on every two to 6 weeks. And since they don’t need much, there’s less to discuss so sales calls will be short. Second, the buyer you rebuff as a waste of time today might become the head of purchasing for your biggest most profitable customer tomorrow, next year or in ten years. You don’t know and you sure don’t want to gamble on it.

If you need a reason to treat a customer with respect, remember this fact: You never know where an individual will wind up. The more people you build a strong and respectful relationship with, the less you have to worry about it. Maybe you can even look forward to it. And in this industry of ours, especially as small of a world as it is, if you treat “small” people poorly, then one day you will pay a very big price for it.

Chapter 1b – Fleet level 2

The Level 2 Fleet is by far the most common form of fleet and your most common form of customer. That being said there is a lot of grey area here and there is a lot of minor variability as well. The differentiator is that they will do almost everything (the grey) but E.T.D. work. That is Engine, Transmission, and Differential. Even here we see some grey zone.

Most will do very minor repairs on engines, mostly accessories. They may repair simple leaks like valve covers, but they will likely not

Truck Part Sales

adjust valves. They may replace a turbo even but they will not repair downstream damage inside the engine. And they may do wiring repairs but many won't have proper scanners to see the codes that lead to a proper wiring repair.

While they will not take apart the differential nor the transmission, they may replace a clutch. Fewer and fewer fleets are willing to do this as transmissions are less often manual and more difficult to replace. Also, a clutch replacement is a long day's work for one mechanic who could otherwise keep multiple vehicles on the road on the same work day. The differential sees even less work, mostly limited to replacing a seal or breather.

These fleets have some designated area, usually either a separate building built for the purpose or a section of a warehouse. Sometimes repairs are done out of a cube truck or van in the yard and they resemble a typical mobile repair unit. The decision of where to do repairs will impact what sort of work they can do, and how much of it they can do.

An outdoor repair operation will be limited by all sorts of factors. Extreme heat and cold are the obvious ones but for some reason, managers believe that rain or snow won't impact the workflow. A heartless argument will convincingly explain why it shouldn't (snow doesn't slow ratchets), but it does. An indoor operation that simply takes a small space in a warehouse can easily lead to a negative work environment because dispatchers (not bad people, just people with different goals and incentives) can too easily approach the garage management or worse the mechanics themselves, and push for a vehicle to be released faster. This only leads to frustration and personal conflicts. If a fleet has a separate building, or better yet they are on a separate property, then you have better odds of finding a

Customer Types and Levels

well-run operation. This will make your job easier because the staff is focused more on the work and less the politics.

Oftentimes these fleets have trained and certified mechanics, but they aren't required to in most places. Some will have programs to improve the quality of their mechanics' work, but this is rare. Even dealerships often do continuous training because of manufacturer requirements, not because they feel the need or see the good in it. Good certified mechanics are rarer than ever, and it seems like the number of retiring good mechanics is far outpacing the introduction of young mechanics eager to learn the trade. This has nothing to do with young people "these days". The work is hard and dirty. The tools are expensive and the learning curve is long and anything but steep. Add to that the fact that there are not enough older, competent mechanics who are willing and able to teach a young person. Being a competent mechanic doesn't mean you're a good teacher, well-intentioned or not.

What this means is you're going to run into a few issues, but two in particular. First, you're going to have a lot of customers who judge products on their reputation, not merits. The problem is that when you want to change the habits of a customer (the core of your job) who is happily buying a good product from a competitor for a fair price, you can offer a better product for less money and still lose. It's a bit backward, but it's the way it is. Second, an untrained mechanic is far more likely to diagnose a problem by replacing parts. They do this because they don't understand the principles of the systems they work on. Much more on both of these issues later. To be clear, diagnosis by part replacement means the mechanic changes parts until the symptoms go away or a problem is solved. The difference isn't always obvious. The first problem with diagnosis by part replacement is that when they've replaced a part and the problem is

still there, they will ask you to take back a part that's been installed. Trying to resell this item won't be easy. Second, replacing parts until a problem is solved means nothing to the fleet. Just because a symptom is gone doesn't mean the problem is fixed.

Here's an example: a truck has a fault light for the aftertreatment system and the truck has gone into derate. The mechanic checks the code and sees a code for a sensor, so he replaces it. The truck goes on the road for an hour and breaks down again. Turns out the DPF is no good and the sensor was signaling this. Okay, swap sensors again, send back the new one and order a new DPF. As a retailer who accepts the return you now have to try and resell a dirty sensor. Your next customer won't accept it, so you shouldn't either. Now the truck has a new DPF, a great sale to make. But two days later the customer comes back with a complaint about the DPF being no good and anyways he needs a new air compressor because the old one is leaking oil. It turns out that this oil leak scrapped the DPF and created the conditions for the sensor to create an aftertreatment fault lamp.

So yes, the problem ends up getting solved. But now the customer is mad at you for being difficult about the sensor and for selling them a useless DPF. Neither of these things is exactly true but although you sold him an air compressor he did need, that's not what he remembers. He remembers that you sold him 1,800\$ in parts, including the 800\$ DPF he didn't need, and what's worse is that you gave him a hard time about the sensor he insisted on returning because it barely ran at all and the box is "clean enough".

The point of this hypothetical story is not to call out difficult customers. Customers are under no obligation to do anything more than pay their bills and they are under no requirement to make your job easy. The point is that you want to know how they operate, and

how well they operate so that if these sorts of issues come up, you aren't caught off guard and you know how to deal with them. Later in the book, we'll look at difficult customer situations like these in better detail as well as how to deal with them.

The reason that the worse of these types of customers, Level 2 fleets, is still a great customer is because of how many different products and product lines they can buy from you. You'd be surprised how many line items can go into a simple dry-van door replacement, for example. What this means is that you can cross-sell all day and you can find dozens of ways to compete on any given product line or job type (brake job, clutch replacement, vehicle cleaning, etc.). Differentiation is the greatest tool for any sales rep building his book of business and with so many different product needs, there are far too many ways to differentiate for anyone to possibly put in one list.

The fictitious 5-part sales flyer that was inappropriate for the Level 1 fleet is the bread and butter of the Level 2 fleet. The only limitations on these fleet accounts are how many mechanics they have, how efficient they are and the size of the fleet they operate. What's more, because they don't do the ETD work, they never have a mechanic stuck doing a 40-hour engine job which takes only a few thousand dollars in parts instead of oil changes, body part replacements, accessories replacements and much more in the same amount of time. When it comes to selling replacement parts it's amazing how much a mechanic can do in 40 hours, even out of a mobile unit.

Chapter 1c – Fleet level 3

The final level of fleet is Level 3. From a distance, they seem exactly like Level 2 Fleets, and that's because they mostly are. The difference in work done may be small, but the net effect of the mentality that leads to this small difference can be huge. The fleet that chooses to

do all a Level 2 Fleet does but also dive into full engine, transmission and differential repair and rebuilds has a superior level of confidence, equipment, and know-how. The know-how won't always seem obvious because they will make the occasional silly mistake a dealership wouldn't but keep in mind that they operate in an almost complete vacuum of information. So they're actually massively impressive.

As impressive as this level is, there are drawbacks for a parts salesperson. First, there will be limitations to how much work they can get done. Second, they will not be consistent as a customer. They may even begin to outsource simple maintenance and repairs (and the part replacements that go with them) so they can handle big-ticket items. Unfortunately for the parts salesperson, a big-ticket job they will focus on is not usually a big-ticket parts sale, it's big on labour, not parts.

Ask anyone who has worked in a garage of any sort and they'll tell you that oftentimes problems seem to come in waves. What this means is that 3 out of your 'whale' of a customer's 8 bays might get stuck with E.T.D. jobs. The fourth door has a differential job, and the fifth is replacing the clutch. In this scenario, albeit an extreme one, you don't have an 8-door garage customer installing replacement parts all day. You have 3 doors changing a combined 6-8,000\$ of parts over a week. Another door has 1-day or 2-day jobs worth about 2,500\$ worth of parts if you're lucky. It's not obvious that you'll be selling them differential kits as the risk of anything going wrong is very high. And the clutch sale is a good one but one bay replacing 1,000\$ of parts or less per day or day and a half can get pretty underwhelming pretty fast.

Also, most reps have different strengths and may not be comfortable selling every type of product. Many good sales are lost to the 6 digits

of the VIN at the dealership simply because the rep couldn't explain what he offered with enough confidence. No customer can open an engine without being sure of having the right parts to rebuild it on hand or at least as soon as possible. An open engine shouldn't be left in a yard for a week.

All that being said, and it's a lot, these customers will buy some of pretty much everything you have to sell. This means that almost anything you put on promotion has a chance of selling with them. It also allows you to learn because if you learn to present promotions with an eye and an ear to what their specific needs are, they will teach you how to sell to them through small corrections. You can't run a shop like this without trained, experienced mechanics so they'll make fewer mistakes.

They won't say things like "I need oil and fuel filters". They'll say something like "I need extended-duty oil and fuel filters for synthetic oil which I change every so many miles or kilometers, this is the list of part numbers". This may seem like a small example, but it's huge. It's the difference between being in a position where you're trying to sell the lowest cost product, to one where you can sell a premium product that comes with a premium price. It allows you to differentiate yourself by coming back with exactly what they need the first time, instead of taking another blind swing and missing again because you're focusing on the wrong parameters.

Chapter 1d – Garage level 1 (mobile)

The first level of garage is the mobile unit. Many fleets and other forms of garage service will also have one or more mobile units. What makes this service unique however is the scope of the work done, and the sharp line in the sand that decides their limits. The majority of what we call mobile repair is for simple tasks that don't

need to be sheltered from the elements (like engine work) and can be done relatively quickly. There's not much sense in having someone start a 20-hour job outside, too much can go wrong.

When a driver goes to his truck and or trailer, he should always do his pre-trip inspection. The majority of what is found on these inspections is what will go to the mobile repair unit because they can do these minor repairs. Usually, it's a light that isn't working or something that needs adjusting (think headlamps or brakes). It's usually here as well, or during the post-trip inspection, that small damage will be found like a sharp edge on the trailer side rail. All these things can quickly and easily be repaired by mobile units. Also, trucks or reefer engines may need to be jump-started. There may be an air leak, especially in the cold or the brakes can be frozen or otherwise seized. These are all quick and usually urgent minor repairs.

Because these mobile repair units are well equipped for minor repairs including testing and repairing electrical/lighting systems and air systems, they're perfect for trailer maintenance. Add to that the fact that in a regular trailer shop, a mechanic will finish their work, advise the shunter who, when they get to it, will remove the trailer, and go get another one wasting huge amounts of a mechanics' time. If all this is very quick, the mechanic has about 5 minutes of downtime. But usually, a shunter is not waiting at the door to remove a finished trailer already knowing where the next trailer is in the yard. They have to communicate with the foreman. This means that it's not usually 5 minutes but much longer, sometimes up to an hour.

This is why mobile units are so good for trailer repairs and maintenance. If they're lucky, they might even position their truck where they can complete one trailer and then go straight to work on the next one without ever moving their truck or losing a minute. Add

to that the fact that the mechanics' compressor, boost pack, and welder is right there with them so there's no wandering around a shop looking for available equipment or waiting for someone else to finish with a tool. It is tough work to do, probably the hardest physically, but it's extremely important work and it should absolutely not be overlooked by a sales rep.

The needs of these operations are relatively simple. They need basic supplies for minor repairs of air and electrical systems. They always need wires, hoses, connectors, protectors, etc. They need a decent array of lights, and depending on their regular customers may need more or less different models. They need welding supplies and basic hand tools and shop supplies. Other consumables like drill bits and grinding discs, grease and torch tips also make up a relatively important part of their needs. Usually, the way they operate is simple. The mechanic adds what they used to their work orders, justified by the time spent and vice-versa. The dispatcher or parts clerk will take that list and pack everything that was used for the mechanics next day or possibly even reload the truck themselves. Therefore, every day and every week the shop knows exactly what they need. Being aware of this can help you get their business. Asking for those lists isn't overreaching or inappropriate, especially if you approach intending to help.

When pricing, if you want to win their business, you need to keep in mind that they are not making nearly as much money on their labour as truck repair shops and they don't pass a lot of parts measured in dollars. It's usually many small items. They also need to resell the parts they install to their customers, who often also buy parts from you or your competitors. What this means is that if you sell the mobile unit a 4-dollar light, same as the fleets, they then need to sell that light for at least 5 dollars to make a 20% margin. Their customer

who pays 4 dollars for the same light will put tremendous pressure to get these prices down, but the mobile unit can't because their money needs to work just the same as everyone else's. This account will only be profitable if it is efficiently served and they pay their bills promptly.

If you can get their whole business, or most of it at margins slightly lower than you would with anyone else, and you make ordering extremely easy by piggybacking off their replenishment systems, you can make some money. The reality is, however, that the real profit from this account will come from when the mechanics on the road come into your shop with an airbag or a camshaft asking for it to be identified. It must be made clear that the efficient parts replenishment costs you less than one-off identification and supply (which also requires you to hold more inventory). This service demands a premium and because the mobile unit is charging the time to get the part as well as install it, their customer will not argue against slightly higher prices on these parts.

Chapter 1e – Garage trailer level 2

As mentioned in the previous section, the trailer shop has quite a few drawbacks, mostly concerning efficiency. What it lacks in efficiency for short jobs, it makes up for with bigger jobs, and then some. Even a 6-wheel brake and seal job out in a yard isn't a big deal, especially if it's nice out. It's not the same thing when dry-van panels need to be replaced, or side rails, add to that the 4-wheel brake job that also needs camshafts and their bushings replaced, and a few lights. This may seem an exaggeration but it really is amazing how long a list of repairs on even a container chassis trailer can be. If you count every cross-member crack and defective light as one item, I've seen 40+ defects on a container chassis trailer. There is no bodywork, engine,

transmission, differential, cabin etc. on a chassis trailer so that's a lot of repairs to make on one trailer.

You won't be selling too many different types of products to these types of shops, but you will be selling everything you did to the mobile repair units plus dry-van panels and rivets, Corner castings and rails, lots of flooring, and the occasional kingpin or axle. You'll likely get orders from these shops the same way you do with many of the fleet garages. That is, with regular promotions and an eye on what you specialize in. Be careful fulfilling sudden demands. Just because you sold 20 corner castings this month doesn't mean you will do the same volume with them the rest of the year. Verify that it is normal usage before committing to increasing your inventory. Many things can have an impact on these sorts of trends, including different short-term contracts with customers or driving agencies.

The majority of the work done, if not all of it, will be putting trailers back to the way they were. You must try to sell like quality parts for like. These shops are under a lot of pressure to keep costs down because no one is willing to pay a fortune on trailers unless they are highly specialized or severe duty. Many trailers wind up in storage for such long periods of time that disc brakes become unviable because they seize up. When trailers do run, they do a lot less mileage than tractors and although they are abused on one side more than the other from hitting curbs and street signs, they aren't submitted to the same torque and vibrations that a tractor is. This reduces the number of problems that can arise as well as lowers the quality of parts required.

Chapter 1f – Garage truck level 2

This sort of truck garage is very similar to fleet level 2, often the only exception being that the mechanics are more likely to be properly

trained or at least have good experience. It's one thing for a fleet to absorb a lost hour of labour with a 20\$/hr apprentice or low-skilled mechanic. It's altogether another thing to absorb a lost hour of labour at shop prices of 80-150\$/hr. So, skill and efficiency are important and as with any shop being paid to do repairs, they need to justify every 6 minutes or 0.1 hours.

Another difference is that this type of shop will be much less selective than the fleet level 2 shop. They can't say we prefer not to work on engines, or to replace clutches. A fleet may make those sorts of decisions but not a truck-focused garage. Oddly, they may still choose to outsource large suspension repair jobs which are still seen as a specialty. Tires are one strange job to have outsourced but they all do. Replacing leaf springs and such isn't a specialty, but aligning is a specialty so anything that will require an alignment is quickly outsourced.

The best part of this type of customer is that not only do they do almost everything on a truck, they can and will do almost everything on trailers as well, although they'd rather not, and their mechanics never get stuck doing a 40-hour engine job installing 2,000\$ of parts. Unlike the level 2 trailer shop, many of the parts they replace have a much higher value. No light on a trailer equals the price of a headlamp. A fender costs much more than a white dry-van panel. And a reefer isn't as complex, nor does it have the often-failing aftertreatment components of a modern diesel tractor and its aftertreatment.

The only work they usually won't do other than big suspension jobs or tires is complex engine diagnostics, engine rebuilds, transmission rebuilds and differential rebuilds. This is becoming even more true as most of the level 2 truck garages fall behind on training and the understanding of electrical systems. They may lack the mechanics

with the technique to install and adjust today's finely tuned engines. Automated transmissions can also be extremely difficult and very troublesome if you don't know what you're doing. Add to that the desire of fleet owners to get a warranty on these large and expensive jobs for peace of mind and the Level 2 truck shop usually chooses not to compete. This does not mean they don't do their work very well. Just the opposite because they stick to their strengths and expertise: repairing the vast majority of damages, defects, and maladjustments on heavy-duty trucks. Good work for sure.

Chapter 1g – Level 3 trailer

The level 3 trailer shop can seem completely indistinguishable from the level 2 trailer shop, but there are important differences. While most of the work done in the level 2 shop is replacing lights, wheel-end parts, airbags, corner castings and body panels, the level 3 trailer shop can go much further. They will be the ones rebuilding a trailer that hit a bridge, the same as a level 2 shop, but they will also rebuild a trailer that got t-boned or fell off a bridge as well as many modifications.

The trailer that is a write-off at the level 2 shop is a good project for the level 3 shop. The biggest difference, however, comes down to doing modifications. More than ever refrigerated trailers need to isolate different sections of the trailer for different deliveries. Fleets don't want to risk allowing the whole trailer to warm up every time the driver opens the door to deliver a palette. Worse still when deliveries are made by hand or with a hand buggy. So having more doors on these trailers is a huge benefit. The level 3 trailer shop will place new doors wherever you want.

Another sort of modification is on specialty equipment. An example is an overweight and over-size trailer with a 3.5" kingpin (most are

2”) that needs to be hauled by a regular tractor and will need the gooseneck lowered by almost a foot and the kingpin replaced. And it’s got to be strong. No ordinary or part-time welder will do, it has to be a certified professional. Add to that specialty equipment for power generators, work trailers and show trailers like Cirque du Soleil and you really need mechanics with an eye for detail and the ability to measure twice and cut once.

The parts that these shops buy will mostly be the same as level 2, just more metal. The difference for the sales rep is how the parts are sold. There will be the same regular parts like door components, cross members, etc. but when a special project shows up, the customers need additional resources to spec their jobs effectively. Their work is heavy on labour costs, so parts may be a small part of the bill, but when they’re charging top dollar for their work, and there’s going to be 50+ hours of work put on a trailer, anything they can do to cut costs for their customers and protect their margins is important to them.

When these shops start shopping for parts, they usually know exactly what they need. But they may have never bought it before and don’t know where to go. That’s where you need to know exactly where to find the information they need. You want to have access to online or paper catalogues from as many suppliers as possible. Providing this information will be invaluable to the level 3 shop and once you prove that you are resourceful, they will include you in their research and exclude the rep who just passes around a monthly flyer. Most of these shops around less the more complicated the job.

It’s easy to become a volunteer employee of one of these shops so you need to make sure that you don’t spend too much time on-site with them. Get them literature, explain how they can order, and allow them time to make decisions. Then follow up. Try to get the

information needed to find parts from them rather than getting the information with them. If your competitor, who has done nothing for the customer, shows up at the right time and they can sell the same parts, they might get the order simply by asking. Make sure you follow up on time and remind them to give you the sale. If they constantly use you for research and never give you the sale, you need to stop helping them research parts. You can’t afford to.

As I mentioned, these custom jobs are often very long. Labour is much more significant than the cost of parts. This translates to, on big jobs, “they don’t buy enormous quantities of parts”. Make sure you tie in your ability and willingness to help them on difficult jobs with their day-to-day work. If you’re going to help them by getting on their special project team, you need to use that to get into their regular business. This is easier said than done, but with a reasonable customer, it can be done.

It is not done by complaining or any form of “you owe me”. And you need to be competitive or you will lose. If you helped them, and they bought from you, they don’t owe you anything more. The way you tie into their day-to-day purchasing is by simply pointing out that while you may be a few points more expensive, who would they rather do business with? The sales rep who understands their business and helps them at it? Or is the other rep with the flyer trying to make up his profit on volume? And wouldn’t they rather order from fewer places? Less po’s means less work (and so less cost).

To be clear this won’t work with everyone, many will look at every deal on its own merits. But many will support you if you support them. You’ll learn quickly who those people are, and hopefully, you’ll act accordingly. Just be careful when you charge that premium for being a better sales rep, you have to be reasonable. A 2-4% premium is nothing to your customer, it’s a rounding error. 10% is a lot and no

one is going to pay that. Over a year of purchasing, it's too much. Of course, the lower the individual item's price the more you can get away with a 10-20% premium because 20% on a small light can be just a few cents. This speaks to the weakness of the profit margin calculation for setting prices, a topic for a future chapter.

Chapter 1h – Level 3 truck (dealer level)

To be clear, the level 3 truck repair shop, or dealer-level shop, is not necessarily a dealership. Unless you are a manufacturer's sales rep, you won't be selling to banner-holding dealerships very much, if at all. For our purposes, a level 3 truck repair shop offers all the same services as a truck dealership, but they do not have any manufacturers' banners, so they also won't have access to captive parts or information. Often, information isn't even for sale, it's just not available. Some third-party vendors sell schematics and other diagnostic information, but it is not the same thing and these suppliers can't call the engineers at the OEM to get support. Updates are also rare.

What the level 3 truck repair shop does, however, is the same as the dealerships in that they will do all necessary work on your truck, the same as a dealership would. They will work on the engine, the transmission, the differential, and everything else. While they may have to go to the dealership for some information services, you will never see them do this, and they don't want to talk about it.

The reason this is your best customer outside of a level 3 fleet is that they are in the business of competing with and therefore differentiating from banner-holding dealerships. This means you need to sell them the highest quality aftermarket parts possible most of the time. They can't afford unreliable parts that can lead to comebacks so you're not selling them on price alone. Oftentimes

'original' or 'captive' parts have higher prices than quality. There is no real justification for their enormous prices other than they have a captive market.

This means that a dealership may have the official training, equipment, and parts to make an OE repair, but they can cost twice as much as the independent repair shop. Engine, aftertreatment and suspension parts are the worst. Original or captive parts can cost 3-4 times as much as equal-quality aftermarket parts. And this is where you can make good margins and still save the customer money. Competing in this business is about being less expensive and/or better. Much more on this in future chapters.

The customer of the level 3 truck repair shop is always suspicious. They know about the training and equipment drawbacks, and these shops usually do not offer the same warranties. At the dealership, there is usually a fixed warranty like one year. At the independent shop, the service warranty is usually "within a reasonable time frame" and is often negotiable. Selling the least expensive quick-release valve that will fail in 3 months is not a winning move. It's a shortcut to being avoided by the purchaser.

These shops are also large targets for your competitors. These shops usually move an extraordinary number of parts. They need to keep the flow of work moving so customers regularly get their vehicles back on a timely basis because often their customers are independents and small fleets. This is what makes this account so attractive, and competitive. For the rep who is willing to work hard, however, you can win more than your fair share of their business. Work with your supplier's manufacturer's reps to get the information and resources that the level 3 truck repair shops need to do their work.

By finding, and giving these resources you can become a confidant and a teammate. By keeping resources to yourself you become someone to compete with and negotiate against. Someone they feel they need to keep an eye on because you're not being forthright with them. There's a difference between giving these customers all the information you can, and then working with them, versus guarding the information jealously and pulling it out when you need it piecemeal. Also, when you aren't there, they have no information to work with. By giving them as much information as possible you now have a common language too. Instead of explaining things a-z and fully selling a given product you now say something to the effect of "on the website / in the catalogue I gave you about XYZ, you'll see such-and-such, will that work for this job?". Instead of "here's what I think will work, I can show you the literature or the website if you need to see it". They've already judged the quality of the information and can go straight to see whether or not it is a good solution.

The fear that reps have is that these customers will take the information you've given and buy elsewhere. That's true, it's entirely possible and it will happen. The reason you do it is that the information exists, and everyone is looking for it, so be the hero and supply it and supply it consistently. This elevates you from an expensive courier who drops off flyers, applies pressure and leaves, into a trusted partner to do business with. Someone will always be there to beat you on price there's nothing legal you can do about that. Always, and for a hundred reasons, ranging from a sales target to owing a favour or because they're "friends" someone will cut prices. A note on giving "friend prices" to customers: When I'm buying, I don't rip off my friends, I pay fair prices because I appreciate their work and I appreciate them. These "customer friendships" are often remarkably one-sided affairs in business. Are you giving a good price to a friend? Or will they only buy from you because you cost less?

Chapter 1i – Level 3 specialists E.T.D.

The final level of shop is the level 3 specialist. These shops operate in a very narrow lane and very rarely if ever, deviate. ETD, as we saw earlier, stands for Engine, Transmission, and Differential work. These shops do not have untrained mechanics unless they have someone going through an apprenticeship. Any apprentices are closely monitored because the margin for error is too small to leave to chance or trust and re-doing work is too expensive. Their jobs are usually days long, not hours. They are of course billed in hours but they don't operate in the world of 0.1 hours as most other shops do. What's more, a lot of jobs are very difficult to estimate. A Caterpillar engine, for example, may have an exhaust manifold that comes off in an hour or it can take 30 hours or more to replace all the broken studs (a common issue), or even wind up costing an engine head. This one example can change the cost of an engine job by thousands of dollars.

These aren't customers that you will call on by a set schedule. You might drop in regularly to discuss new promotions, product lines and solutions or to offer new information sources. The majority of their orders will come sporadically, though. When those calls come, you need to be ready to give above-average service. You need to know ahead of time which suppliers they are willing to buy from, and you need to know how to place orders with these suppliers with total accuracy. Many parts can afford any inaccuracy. A brake camshaft a quarter-inch too long gets a few shims and it's off to the races. An engine gets the right camshaft or it doesn't and you cannot get it wrong. It just won't work.

Serial numbers are the order of the day in these situations. Odds are good that you won't get the part number from the dealership, who

are often the only people with the knowledge of the part numbers you need because they want to sell the parts. That being said, what they want, and the territory they pay for from the OEM is not your concern, only finding the right part numbers is. Often the engine will still have an identification plate, this will be enough to find any parts you need. The transmission is less likely and the differential even less likely. You need to work with your customer and any resources on or offline to identify the right parts. Always double-check your information and any assumptions. Try to look for reasons you may be wrong.

Because engines, transmissions and differentials are such specialized work, many of them have direct access to manufacturers. While this is very likely to be the case, it doesn't mean that you can't make a good customer out of them. Even if you can't sell the inner parts of these large and complex components, you can often sell a lot of accessories. The company that may sell the rebuild kit for a differential probably isn't as good or as interested in selling the breather, input and output deals and nuts, the wheel seals, the differential oil, the casing bolts and gasket or gasket maker. Add to that the tools to do all this work, all of which are specialized and you have access to. We all know that engines have a lot of accessories like the EGR valve and cooler, the belt and tensioner etc. But the transmission also needs a jack, oil, wiring and air fittings and attachments, seals, forks, and levers and more. Becoming well-versed in these things will be profitable because almost no one is. It's too much work for them. This is too bad because you only need to learn it once, and a few specialty shops like these in your territory can be 5-10 percent more business for you, and they're not usually very demanding on your time. As usual, it all comes down to how willing you are to learn and how hard you're willing to work, but you already knew that.

Chapter 2 – Types of Buyers and Their Behaviors

Your customers are by no means all the same. Even within the same organization, serving the same customers and working on the same equipment, there are different people with different roles. Along with holding different roles, those people will have different goals and perspectives. Take a fleet that operates its garage at level 2 as described in the previous chapter. They do almost all their maintenance and repairs, occasionally outsourcing trailer maintenance to keep up with maintenance deadlines and sending out specialty repairs like engine work or large suspension jobs. The owner, the garage manager, the store clerk, and the mechanic will all, at a certain level, be aiming to do the same thing. It's the priorities that change. Some are more interested in cost, others in quality of repairs and others with a longer-term broader view who will take both into account.

In this chapter, we'll see how each member of these teams is likely to behave differently and what their goals are likely to be based on their specific role or title. Of course, all companies are not the same and as a given team works together and they learn how to best do their jobs there will hopefully be better synergy between the different functions. That said, a mechanic will always care more about how well done the maintenance or repairs are, and the parts clerk or manager will always care about keeping monthly or yearly costs down. Usually with an eye on a budget. It usually comes down to how well the company's leadership unifies the vision and priorities of the company.

We'll also see how these differences are a good thing for the smart and competitive sales representative. Even when a customer is satisfied with the parts and service they are receiving from your

competitor, different priorities, and points of view within a customer's shop will open opportunities to differentiate a new product that you can offer by appealing to those different priorities and points of view. If everyone in a shop were to agree 100% on a set of values, and they make a choice of product, there would be a much smaller window of opportunity to differentiate on anything other than price. And you need to avoid competing only on price, it means you've lost.

Before we get started, here's a made-up but realistic example to make the point. Let's say that a customer is buying top-of-the-line brake pads, and, of course, he's paying a premium for them. The fleet consists of 30 tractors and 70 trailers, the sort of ratio you will often find. If this fleet lowers their brake kit cost by 5\$ per kit and they change the brakes once a year, they will save 2,000\$. That said, the price range of brake pads is surprisingly large and very competitive. There are many options. The first thing you want to do in this scenario is to find out the brake lining rating and the types of loads they are transporting. If they are regularly hauling 50,000+ lbs. and driving through hilly terrain, you should probably look for similarly high quality at a better price, or leave it alone. Another thing you could do is find a brake set that offers different high performance such as reduced brake fade. They truly do need the best. If, however, they are hauling bags of chips or mattresses across flat land, then that's not the same thing at all. They're overpaying compared to what they need and you should definitely offer a lower rating of the brake kit. It's possible that whoever sold them the high-performance kits took them for a ride.

So, let's say this potato chip hauling fleet is buying a premium 23k (weight rating per axle) brake pad set. They do not drive through steep terrain, they're driving back and forth across a flat state or province. Right away you can save them a lot more than 5\$ per brake kit because there's usually a more sizable difference than that

between 20k and 23k capacity brake linings. It's a pretty sure thing that the head mechanic is the one responsible for that decision. His priority is the right one, install the best brake shoes possible. If you can get the same results with a similar quality, lower rating brake shoe kit, then you will still be safe as could be on the road, possibly safer because the linings are made for the type of work being done. It's even possible that having a brake kit rated too high could be dangerous in the other direction because, at a certain point, you need more weight for those pads to be optimally effective.

In this scenario, there is probably no point in going to the mechanic to get him to change his mind about quality. He's not responsible for the budget, and he has no incentive to install a different spec' part. The parts manager or the owner will see things differently. The manager or owner is responsible and interested in lowering costs and they should be approached, not the mechanic, with the offer. That being said, the mechanic will be installing the parts and they can and will influence the outcome. Possibly negatively. In any case, you will need the mechanic again in the future, so involve them in the decision, just don't let them drive it. Start the conversation with someone responsible for the cost, and ask honest questions that the mechanic will be inclined to answer honestly. The point is not to lie to the customer but to find an alternative. For example, you might say to the manager that for the work being done they don't need and possibly don't want the high-rating brake pads. Then with the mechanic clarify the load weights and ask simply, if the weight is so low, why have the heavy-rated pads? It's possible the mechanic never actually ran the numbers and was just being safe.

Will 20k brake innings be strong enough for the work done, on the roads they drive on? The answer in this scenario is surely yes and you want to make it easy for them to agree to the fact. Are they willing to do a trial with a trusted driver to see if it's a good fit? You want to create a situation where if the trial isn't a success, it's not because of

the mechanic. Reduce the risk for the mechanic to not go along. If they agree to a trial, and it goes well, then there is no reason not to use the more affordable brake kits you are selling. Make sure this “if, then” is agreed to before the test. Even better if you can set up the questions and trial with the mechanic as a sort of partner who is helping everyone run the best fleet possible. Just make sure no one gets embarrassed.

Not only will you have now saved them money on regular maintenance parts, but you’ve shown that you’re interested and able to help them make smarter decisions in the future. This sort of work will place you as a teammate and not “just another salesperson” taking their time. Time with you should be an investment, not an expense. If you get to that place you’ll be breathing in rare air and it’s exactly what you need. The more you show by your actions and recommendations that you understand and respect their requirements, the easier it will be to sell to them.

Remember, any customer worth their salt will be extremely hesitant of a sales rep trying to help them. Most sales reps aren’t actually knowledgeable and helpful technically so they will be slow to trust you. Prove that you can be helpful, and you will gain far more than your fair share of their business. Just make sure you get the order when you do help them out.

Chapter 2a – Garage owner

The owner of a repair shop, be it a mobile repair business or a garage proper, can be the easiest and the most difficult person to sell to. Both the pros and cons of dealing with them are extreme for the same reason: their experience. That said, the owner of the shop is the person you want to be dealing with as much as possible for the direction of your business together. It’s for the day-to-day business dealings that you want with someone who is hopefully an employee dedicated to the role.

The reason that a garage owner is usually easy to sell to is that they typically have a good understanding of the parts their business, or their customers, need. This means that they usually have very clear parameters of what they are and are not willing to buy and use. The reputation of their business is partly tied to the choice of parts they install. If you can prove a given product meets their standard to be installed in their shop and the price is good, then you will have the sale.

The reason that the owner can be so difficult to sell to is very similar, their negative experiences. For a garage owner, the decision to stop buying from a manufacturer is an easy one. Usually, they have many alternatives to choose from and it’s easier to tell a customer I’ll take care of you and never buy that product again than it is to stay open-minded. Even though manufacturers change over time through ownership, equipment purchases and degradation, and management and employee changes, the quality of a manufacturer can change sharply in either direction. That is one of the main challenges for a manufacturer, namely consistency.

If you want to sell a brand that the owner has sworn off, you have a seriously uphill battle ahead of you, and you risk your reputation as much or more as you risk getting the sale. If you do convince the owner, and then things go poorly, then your reputation will take a hit. The way to do this is to build a shortlist of reputable organizations that successfully use the product at the moment (not in the past). And, if possible, to explain why the manufacturer had difficulties in the past, what they did to overcome the problems, and why the problems shouldn’t happen again. Anything short of this is a reputation risk for you because if you cover these things and it still goes poorly you can defend yourself by explaining that the new failure must be due to outside forces and that they decided to take a chance for the same reasons you decided to promote the idea. Like

this, it was a group failure, not yours individually. You both made the best decision you could with the information you had.

The reason you want to deal with the owner directly for making large changes is that the parts clerk probably has no power nor incentive to make such a decision. The same often goes for the manager or supervisor. If you can sell a new product line to the owner, it is the most direct and simple way. One warning however is that you do want to include the shop supervisor and/or parts manager if possible so that they don't feel you went over your head. That's exactly what you're doing, but if they feel insulted, they can easily create an environment where your new product suggestion will fail. You must incorporate them in the decision-making process, ideally for advice. Be ready to answer their objections politely and completely. They don't need to agree with the change, they do need to be willing to give it a fair shot.

The reason that you want to deal with the parts clerk or manager on a daily/weekly basis is that by avoiding taking too much of the owner's time you don't risk exhausting their patience with you. If you only go to the owner once a month or so, and each time you bring insights to improve their business that are intelligent, they will always have time for you. If you spend an hour with them twice a week getting an order for air fittings, brakes and drums, filters, etc. and then show up the third day to propose a new idea, they won't have the same patience with you. You'll already be constantly asking them for things. No garage owner will feel comfortable with this and will start to create distance which will net you less weekly business and fewer large decisions. Don't take this personally, business owners have more to do with customers and staff than suppliers, it's normal.

Chapter 2b – Fleet owner

The fleet owner has largely the same pros and cons as the Garage Owner, but the reasons come from very different places. Add to that

the fact that most fleet owners are either former drivers who built up a fleet or business people completely detached from the act of driving but who understand the management of a fleet. Both, however, have a stereotypical perspective of the reputation associated with different parts manufacturers. Oftentimes these associations are wrong, exaggerated or outdated. Without the day-to-day mechanical knowledge of managing a fleet, updating those beliefs is very difficult for them, it's not their fault. A similar method of updating these beliefs can work. List current successful users of the solution, and explain what has changed and what should not in the future.

Here is a short personal anecdote to illustrate how difficult this can be. I had a customer who was using cheap, but popular, mineral 15w40 motor oil. I knew the fleet's operations would benefit from using synthetic oil, and better filters, to extend maintenance intervals. I made three examples of similar fleets serving similar customers along similar routes that I knew my customer was aware of. I laid out what they were doing, how, and how they benefit. These informed calculations I showed him that were significant in dollars saved and the percentage of maintenance time reduced, all the while allowing for regular inspection and repair work to be effectively executed. A simple open and shut case to be sure. The customer agreed with everything I had to say, agreed with the conservative estimates of savings, which were hardly estimates at all. Still, the customer declined.

While a fleet will save money per vehicle over a year, the cost per litre for synthetic oil is higher, and so are the filters. The customer understood all of that and pointed out that over a year it was less expensive, but still declined. Now, to be sure, high-quality synthetic motor oil is better than mineral oil. There are only two reasons to decline. One is the initial cost to purchase more expensive oil and filters. We had concluded that that was quickly overcome by even short-term savings. The second concern is that when a truck comes

in for an oil change, grease and inspect the truck, it's a forced opportunity to do necessary repairs and adjustments. But I showed him, and he agreed, that the intervals would line up well, and he could do a quick grease and inspection in-between drain intervals if he felt it necessary.

As a sort of test, I offered the more expensive oil and filters at the same price as the mineral oil. He would benefit through higher quality oil, all other things being equal. He declined. I told him that I was running a special promotion just for him and I would sell him oil and filters for half the cost and take a loss. He laughed and finally explained: his father used this brand of mineral oil. He had always used this same brand of mineral oil. He knew it wasn't the best, it may even cause him some adverse problems besides being more expensive. But, the thought of putting any other motor oil in his engines, he could not do. The benefits would be outweighed by the discomfort of using a product he hadn't "experienced" before. It didn't "feel" right. When the owner of the fleet makes this decision, there is no one to appeal to, you lost the sale.

One last note about this story. The owner of the fleet in this story isn't a fool, he's human. He laughed at himself for his nostalgia and the next time I tried to sell him went much easier than usual as a result. He didn't owe me anything, I attempted a sale and I failed, the story ends there. But he's human and we have a good working relationship so he cut me slack on the next deal and probably gave me the business that time easier than he normally would have. Life goes on. Keep being the expert, keep trying to help the fleet owner run their fleet better and for less money and you'll be fine.

Chapter 2c – Parts manager

I mentioned earlier that the owner of the fleet or garage is the person you want to make the major decisions. Often this isn't possible, and more often than not the person hired to manage the parts

department was hired because they can make decisions. If the parts manager has been in the organization for any amount of time, then they've been coached, intentionally or not, on what is or is not accepted or expected. This includes mistakes. A parts manager who is allowed to make the best decision possible knowing it might not be perfect is rather rare. This fact is furthered by the reality that a parts manager who makes too many mistakes will be seen as either gullible or incompetent. Either way, they're likely out of a job soon.

This sort of thinking leads to a natural conclusion: if the current situation is accepted, no matter how bad, do not make a change because any change carries a risk of failure. This is another reason why you want to go to the owner because if they make the mistake, they are not going to fire themselves. They may tighten up, but that's about all. When working with a parts manager, always focus on the reduction of risk for the parts manager.

A fleet may change u-joints, for example, by the dozen. They change u-joints all the time and although it's expensive and a nuisance, it's "the way it is". You can't show the consumption of a different but similar shop, but you can tell the story. 'X company has 40 tractors doing similar work with a similar fleet and they change one or two u-joints per year versus your ninety' is an acceptable way to illustrate your point. This brings up a different issue you need to contend with. This can create a sort of ethical question for you. If the fleet you are pitching better grease and u-joints to is buying the often-replaced parts from you as well, do you propose the better-quality parts knowing it may reduce your sales and profits?

There are two answers to this question. A simple yes or no are not the answers. It's not so simple. The answer is either yes because then I've helped my customer run their business better and for less money and this will strengthen our relationship. Or the answer is no I won't and I hope no one else does. You make up your own mind. Personally, I sleep much better with the Yes. I make up the loss in

sales elsewhere either through the goodwill I've built or by working hard and building more business. Choose the latter, and someone else will one day be happy you did. Hopefully, for you, it won't happen soon.

Chapter 2d – Parts clerk

The parts clerk is usually, but not always, someone who was hired not because they have mechanical or parts knowledge, but because they were looking for a warehouse job and found more pay and more interesting work in a garage. There is nothing wrong with that but unless the parts clerk is an injured mechanic or something similar, they won't be making many decisions, nor should they. The majority of their job has to do with managing minimum/maximum (min/max) inventory, ordering as per the needs of the shop and identifying common parts. Herein lies the opportunity.

Because the typical parts clerk learns quickly about which part numbers are needed and which manufacturers are accepted you can work well with them to find alternatives when a backorder happens. And it will happen. It's better with parts sales to ask for permission than to try to get forgiveness. If a customer expects a part from a given manufacturer, send them that part, or let them know of the difference, no matter how insignificant it may seem to you.

The worst parts clerk you will run into is the clerk who knows nothing about parts, doesn't want to know, and sees their job simply as changing like for like. Asides from consumables you won't sell them anything unless you either work for the OE dealership they need to buy from or by chance. The best thing to do with these types of clerks is to very slowly show them that you can be entrusted with more and more. You will get fed up quickly with the pace, but keep at it and it may improve.

All parts clerks have the demanding expectation of exactitude. Frame a house and your woodcuts can be off by a certain margin. A slack adjuster is either the right one or it is not. The wrong one can be dangerous. Many won't admit it, but all appreciate tools that will help them do their job. This can come in different forms. Catalogues, brochures, posters, and guides of all sorts can be tremendously useful. The better their tools, the better they work. The better they work the more they can earn. Be a resource and teach them and they will reward you with sales even when things are equal, or maybe not so equal. They can always exert at least some influence because they are the ones with the P.O. book.

Whatever you do, keep things simple, and be quick. The parts clerk is often viewed and treated as just an expense. They are also too often viewed as unknowledgeable and the lowest person on the list of importance. While you should always treat everyone with respect, even if you have none for them, be sensitive to the fact that these people are sometimes held in low regard and blamed for taking too long because a mechanic may be nervous about their job (the part that is billed) is taking too long. That said, the same mechanic who complains it takes too long usually couldn't identify the part themselves if their job depended on it. The point is that the parts clerk is extremely important for the effective operation of any fleet, garage, or parts-selling organization. Try and operate without them. An even better way to decide who to be respectful to: respect everyone.

Chapter 2e – Mechanic

The smaller the organization you are selling to, the more likely you are to deal with one of the mechanics who needs to buy parts for a job or project. There might be exceptions but the vast majority of mechanics want one thing: to fix the vehicle properly. The meaning of this to a mechanic is very simple. The repair needs to be done, to

their standard, with the proper tools and parts to ensure that no one can come back and create any doubt in the ability of that mechanic to do their job. Most, if not all, good mechanics want self-respect more than your respect.

For the part seller, this means known reliability is key. What the mechanic knows will work trumps whatever might, or probably will, work better. Through their experience, they've learned what they do and don't trust. Right or wrong. If a mechanic says he doesn't trust or like a brand or product, then drop the conversation, find out what they do like and trust, and sell them that thing. If you can't, propose the next best thing and let them know the option is available if they need it.

A mechanic will probably not care about long-term feasibility standards but will be more than happy to take part in one so long as they are part of the process. This is a double edge sword. The best product in the world can be undermined by a mechanic who doesn't like the product, the change, or you. Make sure they want the test to succeed. Get the mechanic on board with the process and let them know that you are trusting them to make a true test of the new product. Just remember that if the product is good, and the mechanic wants the change, you have a one out of three chance of winning the deal. If the mechanic doesn't like the change or the product there's a two out of three chance the test will fail. You can maybe calculate those two out of three chances as something around ninety-nine percent in reality.

One great thing about selling to the mechanic is that not only are they aware of which top brands and products are the best, but they would rather be working with them. Add to that the fact that they are responsible for repairs and maintenance, not costs, and they are more likely to buy the more expensive option. Just be careful not to push too hard or the person responsible for costs will eventually come

down hard on you. This can irreparably damage your relationship. So be straight with whoever that person is.

Chapter 2f – Gofer

The gofer has different names in different places. At the end of the day, it is the person who will go for this and go for that... the gofer. This person is not usually chosen for the job because they are the most competent and experienced person. In some places, it's the newest apprentice. That means their time is less expensive but they still have a bit of knowledge. Other times it's a low or no-skilled employee who also cleans up around the shop and does other similar tasks.

Whatever the case may be keep it simple for them. Don't propose new ideas. If something new does have to be proposed because of backorders, or whatever else, ask them if it's okay to use an alternative and ask if they want to check. They will, or should, want to check and by making the offer you make it easy for them to not have to be polite and say yes only to get in trouble back at their shop. Be polite, be patient, and the if the gofer has a choice of where to go for parts, they will go to you.

Chapter 2g – Municipal buyer

There's not a purchaser in our industry who likes to buy with the use of a VIN more than a municipal parts person/clerk/buyer, etc. I personally have never met nor heard of one who cared much about price. I have heard of ones who were bothered by prices too low "rocking the boat". The municipal buyer wants consistency in everything and simplicity above all. Don't try to massively improve their situation or get too smart, it will not be appreciated.

What will be appreciated is simplicity in ordering, adherence to purchase order numbers, and anything that makes their job easier.

The best way you can serve this customer type is to provide tons of information, catalogues, tools etc. and then find what they need for them anyways. The way they maintain their often-non-unionized jobs is by being a resourceful steady hand who doesn't irritate the often-unionized mechanics. Because of the lack of pricing pressure, you can afford to offer this service.

Take the time, arrive at regularly agreed upon times as well as when called upon, go the extra mile to gain their confidence and reap the rewards of strong margins and zero competition on discretionary, relatively small dollar sales. Small dollars sales can mean up to a few thousand dollars in most of their shops. Be sure by asking up to what dollar amount they can buy without needing tenders or other problems and if they are going over ask them if they would like to buy in smaller batches. This is often the intention of spending rules.

Chapter 2h – Fill-in

The fill-in is someone who has nothing to do with part identification, selection or anything to do with parts but is doing the job because of staffing irregularities like someone calling in sick or quitting their job. It's always worthwhile to remain polite and respectful of everyone at all times but just in case it's unclear, this person works with your normal contact and will be communicating with them about their experience. Also, they might become your contact person. So be correct with them.

The way to sell to them is very simple and straightforward. Show them what decisions were made before by others more involved and knowledgeable, let them know how any mistakes can be avoided, and sell them exactly what you know the person they are standing in for would want if they had zero time to think about it. Your goal is to complete the transaction so that at the end of the day when, not if, when the fill-in is asked about their day the answer is that you were a great part of it.

Chapter 3 – Reasoning and Methods of Purchasing

We've looked at the different sorts of buyers and their typical behaviours when making decisions. We also looked at how they operate and the sort of experience and knowledge we can expect from the average types. All of that being said there will be different scenarios in which these customers are buying for different reasons. Each reason for deciding is important to understand because it dictates the way, the method, in which they will make decisions. The better you understand their thinking and priorities the better you can pitch and defend your offer and win the business.

To be clear, this assumes that the person you're working with can decide. Sometimes a mechanic or even parts manager is buying based on the decisions made by a superior. While it's important to work with the person making the decisions on how to buy, it's equally important to recognize the framework with which an employee is operating. If you can create a good offer based on the current reasoning or way of thinking, then you're set. If not, changing the reasoning of a fleet or a garage is much more difficult and very unlikely. Not everyone can change or even modify their worldview.

All that being said, and the challenge understood, let's take a look at the different points of view that decision-makers may use to make their decisions. Just don't forget that a reason for choosing a part in one situation may be completely different in another, even for the same fleet. For example, a two-year-old truck that is expected to run for four years will be subject to different reasoning than a four-year-old truck that is expected to run for four years.

Chapter 3a – Speed and availability

Well run fleets try to be as prepared for as many maintenance and repair jobs as possible. Even the best fleets still have unforeseen and unforeseeable breakdowns, accidents, and all manner of bad mechanical luck. Also, no matter what anyone tells you, there is money in trucking. There aren't thousands of fleets and owner-operators because people enjoy getting fined and going bankrupt. A truck that doesn't have its wheels turning with a heavy something loaded is a major expense. A two-dollar fitting can cause the whole thing operation, the whole 200,000\$ or more (often much more) truck and trailer to come to a halt. When that happens, it needs to be fixed quickly.

This is where the need for you to keep a solid inventory comes in. Also, the ability to identify parts as quickly as possible and deliver. It's easy to say that a fleet can and should have a spare unit or two for emergencies, but that's an expensive backup plan. You can rent a replacement, but even if you're not making monthly payments on the downed equipment, it's still a large extra cost. And it's not like making the swap is simple and quick. Swapping units can take hours. Owners of this equipment want it running as fast as possible and even planned maintenance should be as short as possible. That's just the basics of running a fleet.

With time you will learn which customers are forever in need of parts the day before. These customers are very easy to identify. First, the counter person receiving the rush delivery request (demand) knows who is always asking for favours and special treatment because it's annoying and so they stand out. Second, delivery drivers don't appreciate being told to change their route or rush out to make a delivery, only to find that same rush delivery sitting on a bench three days later. You just need to ask.

The first thing you need to do is understand what are the most common parts and have them. Shops know. Then you need to know what has a decent chance of being required at least once a year. This can be done in two ways. By surveying customers and their inventory rooms. You can't just ask what they will need, you need to ask what they would like to have available at all times. Then try and have that list of things. With time you'll see trends and be able to get prepared better than your competitors.

Another way of identifying popular and commonly required parts is by asking the two main suppliers of every single product category for best-selling lists. I guarantee you they can do this and will do so happily. Just don't buy everything on the list. If their willing to put it in your warehouse on consignment and you feel confident you can manage a consignment, great. Since that's rarely the case you need to use the list intelligently. The bottom 25% or more can easily and safely be ignored. One thing you can do with the list is to go see your top customers and ask them which parts on the list you should hold for them. Then stock those parts. This has the added benefit of helping your customer know to go to you first.

Adding parts to your inventory is easy. Paying for and managing all this is not. Parts stocked do need to be sold, so your parts manager needs to keep track of stale inventory and return policies. Make sure you remind your customers about the parts you brought in for them. Be polite, but remind them and depending on their reaction look to either get a P.O. or make a return.

Since you can't have everything at all times you must know for every supplier how you can make an urgent request. When making an urgent request, often called a Truck Down Service, you want to know about shipping and handling fees. Many suppliers will happily ship products the same day but charge a fixed or variable 'Truck Down' fee. You need to not only know what those additional costs are, but you need to incorporate them into your cost to your customer.

The fastest way to anger a customer is to tell them that a 50\$ part will now cost them 150\$. There are two things you need to do to not only prevent your customer from getting mad at you and/or your company but to be thankful. First, you need to be crystal clear that the extra amount that they are paying is for the fees and transportation costs and is not going to you. Unless they are. Second, you need to distance yourself from those additional costs. Tell them in no uncertain terms that you don't want, nor like, charging so much more. You want to be priced competitively but, given the circumstances, these are additional costs imposed by necessarily involved third parties. Your profit is calculated based on your costs, and right now that's not the case because you're only passing on, not marking up the additional costs. Just make sure that you only say tis if it's true.

There is one other thing to keep in mind when a customer loses their mind because something costs way more than it should because of fees and shipping costs. Many customers will tell you that they refuse to pay so much for a part that they know costs much less under different circumstances. You've already explained the unfortunate additional costs and hopefully, you're not marking up those costs. What you need to explain and make sure is well understood is that the customer is not paying way more for his part. You explained you're charging the same. Also, you're not benefitting from these additional costs, only passing them along. No, what the customer is paying for is to get their truck or trailer back on the road.

This is incredibly important. For example, the customer is not paying 150\$, or, put differently, three times as much, for his 50\$ part. He's paying 50\$ for the part and 100\$ to get his truck or trailer days, and possibly weeks, early. So, the question is very simple, how much is a day on the road worth to you, and when do you need your vehicle on the road to go make that money? I bet it's a lot more than 100\$.

Chapter 3b – Quality

You would be hard-pressed to find a more loaded and misunderstood word than quality. And fair enough. Quality is subjective, especially since there has to be a price involved in the conversation. Also, different situations call for different levels of quality. Since quality is subjective, and the desire for quality parts changes from one situation to another, how do we possibly sell any given part?

This is the foundational question that every single part, product, or service boils down to. It's also the single biggest tool in sales. That tool is called differentiation, and the subjectivity of different situations in the hands of a knowledgeable sales rep is an incredibly powerful thing.

Here's a simple and incredibly powerful model of how to look at subjective quality.



This is an extremely simplified, but typical, arrangement of how price and quality usually looks if we could chart it. Quality is on the

vertical Y axis, and the price is on the horizontal X axis. Let's make this example simple, we'll say the blue dots represent the different Price/Quality values of quick release valves or QR valves. The dot 'A' around 1.2 on quality and around .7 on price is a cheap remanufactured QR valve that your experience tells you might last one year and holds no warranty. The point furthest from this, point 'D' which is at 4 on quality, is the most expensive, and around 2.4 on price and this is a valve with a 3-year warranty and will likely work well for much longer than that.

Yes, some will say I want the cheap one, leave me alone, I don't care. Others will say I only install the best and I can afford the best. The majority will reside somewhere in the middle. I say somewhere in the middle because they will change their priorities based on the situation. We'll look at a few examples.

A fleet operates only used trucks and trailers. They buy these vehicles from larger fleets and leasing/rental companies. They know that the majority of the key components need to be verified, adjusted, or replaced. They intend to buy cheap, fix and then run these trucks until they can't run anymore. You'd think they want part 'D', the best! If this was the case, they probably wouldn't be buying used vehicles. 'B' and 'C' are probably both good enough, or anything that would come in at or above 2.25 on the Y Quality axis. Since there are 3 options, all of which are good enough quality, namely 'B' 'C' and 'D', you want to quote 'B' and for a slightly higher margin than you would the part 'C'.

The idea is simple. What is the least expensive, acceptable quality part? The QR valve that will be replaced within a year will quickly cost more in parts and labour than the others. If part 'B' costs a few dollars more, but will last a few years longer, then that's a cost saving over the less expensive part. The remaining question is, what parts does your customer perceive as good enough? Can you win the business by illustrating that valve 'B' is plenty good enough for their

needs? Or does the customer believe that part 'D' is the only one they'll ever have to install and you're not competitive on price? And you never want to be competing on price. You do want to compete on price/quality.

A losing mentality says I can sell you part 'B' for less than my competitor. A winning mentality says either "A is all you need" (and explain why), or "look at part 'C', for only a few dollars more you get better quality parts" (and explain why). This is differentiation and it's how you want to be winning business, not by lowering margins for everyone.

Chapter 3c – Brand recognition

While it may seem to go without saying that Brand Recognition is extremely important, it's worthwhile discussing just how powerful it can be in this industry. In consumer goods, you have people who prefer/disdain different brands of vehicles, soda, clothing brands etc. This can be a powerful thing. In my experience, however, the type of lifelong brand loyalty, taken literally, can be very pervasive and very extreme. I'll give a few examples.

First, a "run-of-the-mill" example, and an extreme one next. Take wheel seals and wheel bearings. There are a few companies who are well known and very trusted for their quality. So much so that fleets and garages that swear by them, and there are many, have no idea and don't want to know how often they fail. The same people who swear by a brand, will buy a ton of it, negating the argument for the trust. There are very good brands that cost half as much but are less reputed, that people refuse to install.

It's possible that even if these lower cost high-quality brands raised their prices there would be trusted more. People largely believe the cost of the known brands is the cost of good quality and don't consider for a second that they're paying up to a 50% premium for a

brand name. Because they are aftermarket parts and not “captive” parts from a dealership, people don’t realize that it happens.

Now for an extreme example. I had a customer using Shell Rotella mineral 15w40 oil. Regular filters as well. There’s nothing wrong with this, Rotella is certified and definitely of known quality. That said, with synthetic oil, and matching long-interval filters, drain intervals (how often oil changes are done) can be extended by so much that not only do engines wear less over time, but the truck will have significantly more uptime. This is where the savings are found. Possibly, depending on the driver, fuel costs may be noticeable as well, but this is harder to prove.

One day I went to see a customer, already knowing his drain intervals, general driving habits of his fleet, and a forecast of how much money could be saved over just one year, not to mention reduced engine wear. I ran the numbers by the customer, and he agreed with everything I had to say. Although many customers will agree with a salesperson to get rid of them, I knew this not to be the case, at least with him. I asked for the sale. He said no.

I thought about the “no” for a week. I went back do a test. It could have been expensive but I wanted to know. I went to see the customer and asked if there was anything wrong with my calculations or forecast. He assured me in no uncertain terms that they were correct or at least good enough. So, I asked him if he would like Full synthetic Castrol 10w30 oil, and associated filters for the price he was paying for Rotella 15w40, and the associated filters. You see why this could have been an expensive test. He smiled and said no. I asked why; there had to be a reason.

My customer laughed, looking a bit embarrassed. He explained, that his father always used Rotella. He had always used Rotella. And he couldn’t bear the thought of sending a truck on the road with anything other than Rotella. He knew it was unreasonable, Castrol is

a fine company. But emotionally he could not do it. While this may seem like an extreme example, it is extremely common. Many people, some with nominal experience, learned “their” way. It’s worked to some degree, and so they will not change.

To be sure, this does not mean hearts cannot be changed. Just understand that sometimes the change will be a journey, not a moment in time. To overcome this dynamic, and you can, you need to build the image in the person’s mind that they are the kind of person who will use x, y or z products. In an example like my Rotella/Castrol case, I had to show that while many fine fleets ran on 15w40 oil, the future, with EPA requirements, fuel prices, and mechanic shortages belonged to those who ran longer, on synthetic. Fleets that ran on 15w40 were slowly disappearing, and the fleets best prepared to take on future challenges and stay competitive were running synthetic.

It will not be simple, but it can get done.

Chapter 3d – Availability

You have to have it to sell it. I have the best price in town but I’m out of stock. What isn’t obvious is that you can’t hold an infinite amount of everything. Even a dealership with a lot of inventory will not have everything for the vehicles they are mandated to serve, never mind other makes. That said, the solution is not to strike a balance, it’s to be efficient.

Not every part is critical and not every part is more than a day away in your suppliers’ networks. Keeping this in mind, how critical a part is, makes only half the equation. How often does your customer need it is the other question. And the curveball is: how do you set up for new business?

Anything your customer needs once a month or more, you should try and have on hand. Every shop will differ but if your selling 12 per year you should probably have one or two at all times. That said, there's value to selling your customer all 12 in one shot because it will cost your company less in shipping. If you're a sales rep you may not care about these costs, but let your boss know what you've done and either they will be very happy, or you should be wary of your boss.

That said, a critical part is more important to have. A critical part is one that a vehicle cannot operate without, like a starter, or that can lead to an expensive fine, like rear flashers or brake lights. Air leaks are also very important to fix as soon as possible. The way to learn this is by discussing it with your customers. Honest and fair customers will work with you. Others will say everything must be on hand at all times no matter what. Put more weight on the former and don't worry too much about the latter, they'll never be happy so just do your best.

Any special requests that are requested 3 times, should probably be stocked. Talk to your customer and ask if they have, or are developing, a recurring problem. Let them know that you want to help them by making sure to have the parts on hand. They will know if it's necessary or not.

As you get to know your vendors, learn about their inventory levels and delivery times. Can you get same-day or next-day parts by courier or for free shipping (prepaid)? Don't stock too much of their product unless you have to. Is the lead time 2-4 weeks but actually turns out to be 5 weeks more often than not? If the parts are critical, you will want to stock more. While a driver can get away with certain infractions when he has an invoice for a back-ordered part, this is a limited gameplan and results may vary.

You may hear of "Just-In-Time" strategies, but don't be fooled. Toyota pioneered this method of inventory management and even

they have come a long way from former CEO Mr. Toyoda literally throwing out surplus engines to make a point. They keep critical parts in good supply to avoid risks of downtime in their factories. And they always know what and where possible replacements can be found.

The way you build your inventory will be the same as how you build new business. Yesterday you weren't selling the product to the customer, so although they may want you to have enough inventory to serve them and your existing customers, you probably won't. Insist and repeat that they managed without you and that while buying from you will be an improvement it may take a very short (and it better be short) amount of time. Be polite and reaffirm that this is temporary, and will lead to an improvement for them.

It amazes me how someone can go twenty years not knowing a given thing existed and doing just fine. Then they discover something new and if you don't have a 6-month supply for them right away then your less than good. This likely will happen, just be happy your customer is unhappy they can't buy as much from you as they want to, and correct the situation as fast as possible. Then, let your customer know what you've done and that you will be serving them properly going forward. Always focus on moving forward.

With existing customers, you want to verify and adjust their forecasted needs. With new customers, you want to get a forecast as soon as you can to adjust your inventory levels. The reason you get forecasts from new business is probably obvious. The reason you get forecast corrections, adjustments and verifications is because fleets change, and not every deal lasts forever.

You want to know if you still have the business and for how long you can expect to. This conversation is about their fleet life-cycle. In an extreme, but possible, example: a fleet could buy 20 new trucks, run them for 3-5 years, then sell them all and buy 20 new trucks again. It

should be obvious that you would go from having little to no business because the trucks would be under warranty and the drivers might even be a little more careful, to a lot of business because drivers care less, warranty is over and parts are wearing out. Then one day, the cash cow fleet of trucks is gone, replaced by new and efficient warranty-covered trucks. And you want to know this is happening before you buy all the parts for the next 6 months of purchases that will never come. Again, you may not care about the cost, but your boss who decides your salary (and whether to continue paying it) and bonus definitely does, and that matters.

Chapter 3e – First fit

The definition of “first fit” can mean slightly different things to different people. The people who care for “first fit” are usually distanced from financial or profit motivation. It’s also a great tool for people who don’t have time or who are risk intolerant. That said, those who rely on “first fit” parts will justify their purchasing decisions with some variation of, but ultimately meaning, “you can’t get fired for installing the same part that the vehicle came to this world with”. And that’s probably mostly true.

Most everyone, even those who work in dealerships will have to deal with this issue to some extent. Luckily, it’s often pretty simple to do. Here are some of the best counterarguments.

Keep in mind that although one brand came “first fit” on a given vehicle, it is almost always the same companies competing to get the business. So just because Brand A was installed at the factory does not in any way mean that no other brand is capable of the sort of quality that was chosen. Often economics had a lot more to do with the decision than quality. So, you want to point out that, yes, this make and model this year had Brand A, but Brand B made their other models of airbags for another manufacturer's model.

It's worthwhile understanding how a product gets to be first fit. It also helps to understand that most truck and trailer manufacturers don't build much on their own. Truck manufacturers do little other than assemble the cabins, and trailer manufacturers often do even less. Usually, they source and assemble, and this goes for everything from brake pads and axles to door seals and windows. To become the “first fit” on a vehicle the manufacturer of choice surely presents a compelling case for quality, that pretty much has to be step one. But step two is price and availability and since so many people want “first fit” and so many others don't ask and so “first fit” is the dealership's first choice, there's a huge benefit to selling this way, even at a loss initially.

Usually, this is justified as a volume purchase rebate but the reality is it makes no sense to sell the product at a loss ever unless you know you're going to get that back at higher prices later. So, the way you overcome this is by explaining first that other manufacturers are plenty able to produce a proper quality product and second that the main reason the cost is lower on non-first fit parts is that they're not trying to recoup from the loss and then get ahead on profit. Encourage them to accept that they bought a truck or trailer for less money than it should have cost thanks to these deals and do not agree to shoulder the burden afterwards with exorbitant prices. It's not your customer who made the deal at a loss to truck or trailer builder so why should your customer pay so much more now?

Chapter 3f – Price

It's no mystery that the price is important. Money is important and getting more for less is a good thing. Now that being said, the entire next two chapters are dedicated to price/quality considerations because the price is where the rubber meets the road in negotiations. For the seller, the lowest price is not only not the goal but not the point. Price, relative to what the customer receives (at least in their

opinion), is called value. Value is how you compete and changing value priorities and perceptions are how you adjust the value proposition (what you're trying to sell and for how much) to the customer. Lowering the price is more than self-defeating, you should always be trying to make more money.

Because the next two whole chapters are dedicated to price and quality, we'll move on for now.

Chapter 3g – Volume discount

A volume discount, known as a kickback when it is unethical or illegal, is a great way to encourage your customers to buy from you more than anyone else. Like a loyalty program for consumers. Many customers like seeing the monthly, quarterly, or annual checks come in. There are, however, two common problems with this overreaching tool. One problem is with the thinking of the buyer and the other problem is with the salesperson. We'll go through each common problem as well as prevention tips while getting the benefits. We'll also look at the best way to work a volume discount daily.

The first problem, the one with the customer, is especially problematic if the program has been in effect for a long time. When a program is new buyers are keen to do the math and watch for the credit or cheque. It doesn't take long, however, for buyers to take the discount for granted and completely stop taking it into account. Only the best operations always keep it in mind. But even they get busy. This happens pretty much every single time. What's worse is that if you tell your customer every time you offer a price that they also have a volume discount coming, they often will get irritated about it.

Because the ability to remember discounts can be short, and it is the buyer's responsibility to get the best price possible, you do have to remind the customer about the discount regularly. When a customer

asks for a price, and there are only two reasons to give a better price, your answer should be x dollars for y units, and remember you also have a discount.

The sort of language you will often hear from a customer is some form of "I want to buy from you, but you're just a little bit too expensive". Translate that directly to "I want to buy from you when you have the lowest price". That's not what we in the industry call a "relationship". Let them know, yes, I know you want to buy from me, and I want to sell to you, and if all things are equal or near equal, and don't forget you get that volume discount, I hope you will buy from me. When I have a personal relationship with someone, a few dollars doesn't bother me because I want to encourage a friend. Your customer likely is not your friend.

The other problem, more easily managed, is with the salesperson. It is a lot easier to complain prices are too high than to maintain your prices and protect your margins. Protecting and improving margins is one of the two ultimate aims of the sales rep. Anyone who can speak the language can take a list of part numbers and have 5-10 suppliers quote on the part. That's why purchasers do, or at least should, earn a lot less than a productive salesperson. An ill-mannered child could do it just fine.

Keeping your prices, raising your prices, and protecting as well as increasing your margins is very difficult. It takes conviction and a belief that every time you lower your price you weaken yourself, your company, and your industry. I know it's hard, but it's the job and it's the reality. It needs to be done. Every day needs to be spent increasing sales and looking to increase prices. Keep a list of all your customers who have a volume discount. Either in your mind or on your computer, tablet, phone, whatever, and check that list regularly to make sure you're not slipping. By slipping I mean thinking you're going for a 30% margin but you're actually going for 27%. Or, much

worse, you think you're going for a 15% margin, but you're actually going for 12%.

Ideally, your annual discount is layered. The annual discount, when done right, begins just above where the customer currently is and has a series of steps they need to achieve, and they should be achievable. If your customer is already buying 100,000\$ per year from you, the volume discount better not start at 90,000\$ or you're just away giving free money. It should be something like 120,000\$ in a case like this, then 150,000\$ for the next level. Also, the percentage does not have to be a whole number. There is no reason why a given level can't be a half percent more. 3.5% is more than 3% and if your customer doesn't care about the half point, they are not that serious about the discount at all and you should cancel it. A good purchaser/negotiator will know that every .1% is a stepping stone to the next discount. Don't, you can choose to cancel, or not renew an ongoing discount (it's just not so easy, in large part because you should have a written agreement).

If you have a reasonable, achievable, and aspirational volume discount ladder for your customer, there's one more thing you need to do. Whatever length of time you use to calculate the discount you want to choose an appropriate amount of time to let your customer know that time is almost up and it's time to get free money. Yes, time is extremely important. Here's an example to illustrate the point. Say the customer has bought 350,000\$, for a 4% annual discount. Generous. If the customer buys 400,000\$ or more they hit the next level, a solid 5%. Do the math: 4% of 350,000\$ is 14,000\$. 5% of 400,000\$ is 20,000\$. Now, they've already bought 350,000\$ so the 14k\$ is already settled. Looking forward, if the customer buys another 50,000\$ from you they get an additional 6,000\$! That's a whopping 6,000\$ on 50,000\$ of orders! Put another way, it's an enormous 12% discount! Give them the appropriate time to make the decision. If it took 11 months to buy 350,000\$, you need to

understand they will likely need more than three days to buy another 50k\$. But whenever you decide to remind them, make sure you let them know.

Chapter 3h – Relationship

If you didn't know that relationships are important in business, as with the rest of your life, then go on LinkedIn and you can read the millions of posts from people expressing how important it is to them. People are passionate. Chapter 9 is all about relationships, what it is, how to build one, and what to do if one is weakened or threatened. Here we'll discuss how it is used to make purchasing decisions specifically and how it can work for and against you.

You will not have the best price on everything you sell. You will not have every single part on hand at all times. A strong relationship, professional, personal, or both, will not overcome this fact in all deals. What it can do, is give you the benefit of the doubt when all things are equal, or maybe not so equal. If you think you can deliver whenever you want and charge 50% margins on everything you sell, you will be looking for new work soon. That said, delivery will occasionally have a mistake, and your cost will occasionally be high.

There are a few situations where the importance of relationships comes in. First, when there is a rush and the customer needs to call someone who they believe can and will help them. A part of building a strong relationship with your customer is providing excellent service. If you prove, not just profess, that you will jump through hoops when the customer occasionally needs it, you will get these calls. Just make sure it's only occasionally. The price will still matter, but less.

Another time the relationship comes in is when a customer is buying a not terribly expensive, one-time, not very critical component. This is a time when you might get a freebie sent your way. If the customer

knows you won't go crazy, they may instruct you with something to the effect of "Oh and send me one of ...". If they don't bother asking about the price, they're either being trusting, or irresponsible. You'll know which one it is when it happens. Don't be unreasonable. This is a sure sign that the customer believes you have their interests at heart, at least on some level. Take the benefits from this, but guard that trust jealously.

Lastly, when a part is available but from a regional warehouse and delivery will be a few days, you may discover you have a good relationship with your customer. This is what will happen. You will quote your customer a price and tell them the part will be delivered in two days. The customer will inform you that your competitor is offering 5\$ less and a one-day delivery. You will explain that you're confident the part will arrive in one day, and your price is close, fair, and reflective of the situation and shipping costs. If you hold the line and get the sale, it means the customer trusts you more and probably knows that the one-day delivery is maybe possible, but unlikely. Your offer is "worse" but realistic. Many salespeople lose the trust of their customers because when a part is 1-2 days away, they will always say 1 to get the sale. The responsible salesperson says 2 days so the customer may have the pleasant surprise of one-day delivery, but won't get sidelined by a two-day delivery. When you tell a customer x number of days for delivery, they act accordingly. Their business and possibly a few others (transporter, factory, etc.) rely on your accuracy.

It's the consistent service and honest as well as fair pricing that will win you these one-off sales. Price and speed are important. But for the fleet or individual who owns the vehicle, accurate time and cost estimates are more important than a few dollars. Never forget that when you promise a given part on a given day, it doesn't just end there with the p.o. number. Likely the garage advises the dispatch, who books the driver and then advises the factory waiting on the delivery, for example. You will have opportunities to tell a customer

it's one day for delivery so that you win the sale, and it will work. But at what cost to your reputation if it isn't true?

Chapter 4 – Cost Considerations

It doesn't take a whole lot of thought to understand that what something costs is extremely important. That said, a price, a number, is not a simple thing. There is a lot inside of a price. What it represents, and what it provides. A price offered can be desperate or bold, just like a price accepted can be generous, a brag, or cheap. Understanding the difference can make all the difference in your career. Understanding that lowering your price does not mean you will make more money is also very important for your career.

We are not in the business of selling consumer goods like chocolate bars that some consumers consume much more than they should and a great advertisement might get them to buy even more. We sell replacement parts. If you sell hot dogs for 2,00\$ regularly then have a sale on hot dogs for .50\$, yes you will sell more hotdogs because the market will grow because more people are willing to buy for the lower price. The question will then be: in the end, having sold more hot dogs, did I make more money? The answer isn't obvious. If you sell replacement bumpers regularly for 200\$ and then you have a sale on bumpers for 50\$ the demand for bumpers will not grow. You may get more market share, and sell bumpers to people you couldn't sell bumpers to before. But existing customers will, at best, buy a few more to put them in stock. This is the equivalent of extending your promotion for an extended amount of time. You're probably not helping this month very much and you're definitely hurting next month. New customers will come for the new price, and most will leave again when it's over. This leaves the same question; did I make more money? Much less likely than the hot dog guy.

Most of our customer's spending with us is not discretionary fun stuff. It's products they need to run their fleets and garages. No one who intends to stay in business will buy more because it feels good. They will buy more because they need it now or soon. There is a lot

to consider when pricing, and like in sports, it's best to know what you're going to do with the ball long before you get it. That's what this chapter is about.

Chapter 4a – Investment in quality. Durability or efficiency

It's unfortunately not very obvious to people that customers want to pay as little as possible for a given quality of part. There's a lot to say for quality and that's what the next chapter is about. No one wants a part that will fail in less than a month. They may not care if they're selling the truck very soon, but not many manufacturers with that sort of quality can survive for long. That said, different fleets and garages calculate quality versus price differently. Some focus more on uptime, others on efficiency (aero, fuel, shop time, etc.), and much less often they focus on both. Either way, quality is relative.

Dealing with perceptions is important. But you must be dealing with reality. If a fleet is hauling fuel in mountainous terrain, then they need better quality brake and suspension parts than the fleet hauling potato chips or mattresses across flat land. A big part of competing is making sure you're offering parts that can handle their needs, but not too much more because it's expensive.

You don't need to ask a customer or prospect how important quality is to them. All this will get you is, best case scenario, a platitude, and worst-case scenario an invitation to leave and not come back. Look and listen and they will tell you. When you go through their parts room or see what's been delivered, is there nothing but OE parts? If OE parts are so great, why do they have so much of it? Maybe they can pay less for the same or better quality. Work for a dealership and see nothing but aftermarket parts? How much money are they saving on aftermarket parts when they have to keep so much of it? See the

correlation? You're buying these parts from my competitor, let's rethink how good of an idea that is.

When you're in the yard of a fleet, does every truck and trailer have every single sort of aerodynamic device available? If yes, but they're using motor oil or grease that's not synthetic, then you have a pretty easy sale coming your way. Does the garage have almost all new and new nearly trucks in the yard? Odds are diagnostic and measuring equipment sales are not in your future. Powertrain parts are probably under warranty.

Look, if you can, safely, into the garbage bins in the back as well as in the shop. Don't go in them, and don't move anything or get yourself dirty, just try and look from a distance that isn't weird. Do you see a 55-gallon drum filled with universal joints? That means that not only does this place use a ton of universal joints, but they think it's normal to the point that they're set up to handle it. You need to illustrate to them that this is outrageous. Let them know that XYZ fleet has similar equipment but they use ABC grease and GHI universal joints, and they only change 2 universal joints per year. What you'll do here is forgo the sale of 100 universal joints but you weren't selling them before and now you've shown an ability to help their operation and the opportunity to sell premium grease and better universal joints. You're then taking sales from your competitor, adding sales to your book, and at the same time building your reputation, and decreasing that of your competitor. That's a very good day.

Always be on the lookout to sell a lower-quality part that is still good enough or a higher-quality part that will perform just a little better. This way you're not just competing on price. You have to compare apples to apples. But the apples can be Red Delicious vs Honeycrisp. This is how you avoid competing on price. Don't push too hard because everyone has prejudice about every brand out there, but this is the essence of how you compete with price, not on price.

Chapter 4b – High-quality investment

While this is a much smaller segment of the market than many manufacturers are willing to admit, there is a group of fleets and garages that are willing to pay a premium for the best quality parts available. These are also often the same fleets that are willing to invest in aerodynamic devices and fuel-saving programs. While most people look for a trade off between the quality of the parts they buy and the price they pay, for these fleets a high price and a good manufacturer reputation help them sleep at night and maybe give them some pride.

Transport vehicles work tremendously hard. They are constantly in need of maintenance and inspections because something always needs to be adjusted, lubricated, repaired, or replaced. On average a truck or trailer will need something adjusted, repaired, or replaced at least once every 2-3 weeks. Be it a burned-out light or a brake adjustment, something will happen. There are a few ways that fleets can improve this ratio such as motivating and training employees to handle equipment well, loading vehicles properly, and using quality parts to name a few.

When dealing with someone willing to pay a premium for high-quality parts you need to be very mindful of reputation. Including yours. You likely know which fleets in your market are regarded as well-run. If you can illustrate to your customer that one or more of these fleets has confidence in a manufacturer or line of products, you will have much more success. The irony is that most fleets that are seen as well-operated usually run the newest equipment so their fleet looks shiny and pretty, it's hard not to operate a good-looking fleet when everything is brand new. It's supposed to never break down.

In reality, if you want to know which product lines are the best or offer the best value you probably want to call on fleets that refuse to buy new vehicles or lease vehicles and do almost all of their work in-

house. They will know what really does and does not work. They'll know what matters. They may not have better record keeping of replacement part life cycles but their instincts are likely extremely reliable. Poor parts selection affects the bottom line directly and regularly.

One last note, first fit comes off as a super reliable way of identifying high-quality parts, and there's a certain level of truth to it. But sometimes a manufacturer gets their parts on as first fit because the product is known to fail in x number of years, assuring an aftermarket or because they subsidized the installation. So don't take for granted that just because the part came to the world on this vehicle, it got there for any reason other than economics.

Chapter 4c – Monthly or annual budget

Most fleets operate within a certain budget. Or at least they believe they do. In reality, what they're doing is attempting to keep monthly or annual spending within a certain limit. You can't see from the outside but most fleets know more or less how much revenue they will earn in a year. They only have so much equipment, so many drivers and so many contracts. With this information, they can calculate to a large degree how much money will come into the business this year. So, with that in mind, there is a limit on how much they can spend on expenses and remain profitable. For the most part, their expenses are fixed. They owe staff straight salaries or so many hours per week, leases and loans on equipment are known, and other expenses like property, taxes and general operating expenses are usually fixed. One way to easily blow through a company's profit is by spending way too much on parts and repairs. Labour is usually fixed if in-house, but either way, the less a fleet replaces parts the more profit there will be at the end of the year.

All of that said, no reasonable company will say twenty days into the month that they've run out of budget so they can't fix their

equipment. Only a broke company will. Almost no repair job certainly costs more than not operating a vehicle at all. This is why I say the budget is more a guideline than a real constraint. The budget is likely still a very real thing for the fleet or shop manager, however, and if your customer takes monthly or annual budget seriously then there are usually two types of managers you will deal with: the beginning of the month spender/end of month scrimper, and the beginning of month scrimper/end of month spender.

The managers who are only or mostly mindful of spending early in the budget period, month, or year, usually have money left over at the end of the month. Most people would think that a manager finding 10-15% of their budget left with 2-3 days left in the month would be pleased, but the reality is usually the opposite. Most accountants and owners don't look at a chart with daily spending, they only look at the month quarter, or year of spending. So, if even 20 or more percent of the budget is spent on the last day, they won't know or care. Most shop managers know that if they don't spend the whole budget, maybe even a little more, every month or every year, they will only see their budget reduced. This means that if, down the road, they do have a lot of breakdowns or expenses like expensive tools needing to be replaced, there won't be any budget left for it. Look for managers who are tight early in the month and make sure you call on them with a few days left in the month to assure you get that end-of-month discretionary spending.

The managers who are only mindful of spending late in the budget period, month, or year, usually run out of money at the end of the month and will need your support. You may be inclined to help them by sending parts on the 30th only to bill them on the 1st of the month. Assuming your boss doesn't mind, you still want to avoid this. First off, some managers have bad or selective memories and will say they never ordered those parts on the first of the month. You won't have a signed bill saying you delivered them. So be careful,

even with customers you've dealt with and have trusted for a long time. Second, if a manager does this once, they will do it repeatedly. It becomes a free tool for them. It is not, however, a solution, and as mentioned earlier, the budget is not real. They will buy the parts and they will pay the bills (unless they are a generally delinquent or bankrupt company). If the company does run out of money at the end of the month nothing says they will magically have money at the beginning of the next month, they're not getting monthly checks from customers and should be keeping a certain amount of operating cash. And anyways most of your customers are not paying for parts the day they receive it but at the earliest in 30 days, likely more. So don't play their game and risk forgetting to bill, or risk your customers 'forgetting' they received your parts.

Chapter 4d – Lack of faith in mechanics/drivers/ warranty

This is a rare situation, but it is only rare in its most extreme and noticeable versions. Some fleet owners or managers have lost complete faith in their mechanics' ability and willingness to install and maintain equipment properly, and in their drivers to operate the equipment properly to be able to get the value out of higher quality parts. They are negative and they believe that investing in a product with a 5-year warranty is a fool's errand because a mechanic or driver will break it sooner than that anyways. And even if the mechanics or drivers don't break the part, if it fails within the warranty period, they have no confidence that the warranty will be honoured. possibly they don't want to go through the time or expense of making the warranty return as well.

As far as trusting drivers and mechanics, they might actually be right. Some mechanics and drivers will purposely damage equipment either because they don't like a change or because they're generally mad at their employers. Awful way to make a living but it happens. That said,

there's a big difference between thinking that installing expensive bumpers is silly because the drivers drive by sound and thinking there's no point in putting on good shock absorbers because drivers like driving off of sidewalks. They may have a point on the bumper, but even there, a solid metal bumper or even better a large grille will not only get damaged less easily but might even be repairable. If you think your drivers are only interested in doing ollies off of sidewalks like they're Tony Hawk, then why would you not put on the best shock absorbers you can to avoid damage to the rest of the chassis and cabin? Not to mention the payload. It's all in the customer's perspective and it's the sales person's job to adjust or change that perspective.

As for trust in the warranty, it is always up to the manufacturer and the sales reps to create that trust. You earn trust by being trustworthy. Most nihilistic fleet and shop managers won't even ask for a warranty. Look for these warranties and help your customers. Not because you want to replace your customer's parts with free warranty parts, but because when you do try to sell them premium (read higher commission) parts, someone will be more likely to give it a shot if they believe you will help them and back them up if there is an issue. But if you can't or won't support them on a 1-year warranty for a 10\$ part, they sure won't ever trust you with a 3-year 1,000\$ part. So, it's up to you how you want to deal with the warranty.

Chapter 4e – The bare minimum

Many reps believe that almost all of their customers want the bare minimum. They don't. They have a minimum quality of some kind in their mind, and then they want the best price. They may not be able to explain their quality decisions and they may be inconsistent, but they do consider quality. The true minimalist does not care about quality and hardly cares about fit. If the price is right, they'll make it fit. Sometimes these are resellers who will assume zero responsibility

after the sale of a used vehicle, more often it's a fleet sending a truck overseas. These operations are a large part of the reason why state and provincial transportation officers exist. There's an argument to make that they make up about 2% of fleets these days.

I once saw an inspection on a chassis container trailer which had over 40 minor defects and more than 10 major defects. To be clear, the trailer had 3 axles / 6 wheels and they were all out of adjustment making for a total of 6 minor and major defects. That's too much. A chassis container trailer has no storage space, only anchoring points, no powertrain, and nobody. It's basically a frame with lights, brakes, and suspension. That fleet was truly minimalist. They will not fix something unless obliged and they will not replace something unless they must. My personal feeling is that these fleets are a bit of a risk to even deal with at all and usually are as bad at paying their bills as they are at maintaining their fleet, but that's a decision for you and your company to make.

A minimalist fleet will not be sold on anything other than price and availability. They want the least expensive part that they can get their hands on. If you find this to be the case, then ruthlessly adhere to their principles of the cheapest available part. There are two ways to do this. First, a part not fit to be installed on a vehicle is not to be kept in stock and it can't be ordered. If the customer demands a part you know to be unfit for duty, you must not have it available for sale. Either tell the customer you cannot get it, or be honest that you won't get it. Either way, don't take personal risks by selling important parts like braking or steering components you know to be unfit for use.

Second, the lowest price available is still up to you. Pricing is always up to the seller and the option to not sell always exists. If you're selling the lowest price parts available then you need to make sure you are still making the best margins possible to make the smaller sales worthwhile. Invoices will be smaller, at least make them good

margins. The good news is that because they buy terrible parts, they will have to replace them more often. It's true that using more expensive but higher quality parts is less expensive in the long term. The inverse for you is that if they don't pay more for higher quality parts so that they save money in the long term, you will earn more money over the long term because of their inefficiency.

All this being said, minimalist fleets are often dangerous on the road. Better parts make for safer vehicles because failed/defective parts make for dangerous vehicles. Just because a fleet wants to buy low-quality parts doesn't mean you cannot do anything to make sure they are using reasonable parts. You will likely never convert them to thinking long term, but a small personnel change in a company can have huge effects on mentality, so never give up on doing the right thing.

Chapter 5 – Quality Considerations

While on the one hand, everyone knows what quality is, how good or how performing and consistent a product is, very few will naturally agree on a given product's quality. Quality is incredibly subjective and most people have prejudged most if not all major name brands. Alongside that fact, most people prejudice new brands they've never heard of, sometimes because of appearance and sometimes simply because it's new. Even if it's only new to them. That said, quality is the number one way you can compete, alongside price.

That leads us to a question of value. Value is perceived quality, for the price. You might have a pump that costs 2\$ but will break within 6 months. Depending on how hard it is to change, there's an argument to make that's a great deal because, for 4\$ a year, you get pumps for the vehicle. On the other hand, you may be presented with a pump that will last for decades but it costs 2,000\$, but will never fail. If this means not doing a lengthy and difficult repair, or not getting a fine or put out-of-service, maybe it's worth the price. These are two made-up and very exaggerated scenarios but I do so for a reason. The reality is, your job is to find out where between the two extremes your customer lies. At the same time leaving the possibility that they may be very happy at one of these two extremes.

Most reps behave and compete in the same way. This method of selling is called a race to the bottom. Here's what it looks like the sales rep calls on a fleet. The shop manager or parts clerk says they need Brand/Type A valves. The sales rep will then look in his system or call in to find the cost for the valves. Knowing that the customer already buys them and has a price, they will be a little shy and give a "competitive" price. If the buyer says no, they'll either complain that you can't make money anymore "these days" or make up some story

about making a mistake and try again with an even lower price. Either way, I'm sure you can see how this will quickly get to zero. To be clear, zero here means your cost. Some people will even go below their cost a few times to "help a customer out" or for some other ridiculous reason.

What the intelligent sales rep will do is understand that yes, the customer is already using this type of valve and probably has a set, or contract, price. The competing seller probably has a relatively similar cost to you. So, when you go in to make such a quote you need to go in with 3 prices. You will say here is the price of the valve you already use. And it will be a reasonable price on which you're not likely to win because the customer has probably already shopped around for a price and found something reasonable (for them). The other two prices are for a valve reputed either by experience or warranty or something of the sort to be a bit higher quality and one more of a bit lower quality. Again, you will be offering them a reasonable price, but not a low margin. The price difference is based on your cost for the differentiating products.

The reasoning is simple. If you are selling the exact same thing, the same valve (for example), and the exact same part number, then you are very limited in how you can compete. It becomes a commodity in the mind of the buyer. You can compete on delivery service, guarantee to always have it in stock, lock in a price for a longer period of time, offer flexible payment options and more. The issue is that the average customer will look at all these things and proceed to ask for a better price, then expect the above-mentioned perks. For better or worse, the price is what it will come down to at some point. The number one way to protect your margins and differentiate yourself is by offering options.

Always offer a better option that costs more, you may be surprised. Always offer a less expensive option, so if you do win on price, you're still left with a strong margin.

Chapter 5a - The cost quality graph

As mentioned earlier, customers want a given quality for the best price. People say they want the best quality for the best price, but this is almost never true because the best is almost always remarkably more expensive than good enough. There is a lot of power in good enough. The trick for the truck parts sales rep is to work with good enough, and if need be: change it.



The above chart is a very simplified representation of how a customer may see a selection of different parts. Let's say bushings. In this simplified example, there are the three bushings a customer is suggested. The point below the blue bar is the least expensive, lowest-quality bushing. The first point above the blue bar represents a middle quality and price. The top point represents the best quality,

and as is usually the case, the highest price. This is a very stayed industry and pricing usually reflects very well the accepted quality of a part.

The blue bar is what we could call the minimum quality threshold. Any part that is as good as the 0.42 blue bar or better is considered good enough for the buyer. Anything below is considered not performing enough or not durable enough to install. While as a sales rep, you want to be selling at the highest price point, what you need to understand is that there exists in the mind of the buyer a minimum level of quality. By offering the cheapest option, you have no chance of winning because the price is irrelevant at this quality level.

The sales rep who doesn't want to compete solely on price needs to understand this concept and needs to understand as best they can where the customer believes the points drop on the chart, as well as where the bare minimum acceptable quality is on the chart. The rest of this chapter will look at different scenarios you will face and how to use the minimum acceptable quality concept to compete.

Chapter 5b – Quality vs price scenarios

We will look at specific scenarios below and how to best deal with them but for the majority of situations, there are three underlying situations you find yourself in. Whichever line of products your customer is currently buying elsewhere, they are buying the most expensive, the least expensive, or something in the middle. Not only are most people buying something in the middle but most product lines arrive somewhere in the middle of price and quality creating a ton of opportunity to compete. This is because the best and worst are usually agreed upon, whereas the rest in the middle come down to experience, or lack thereof, or prejudice.

Let's begin with the easiest situation to compete in. Your customer is buying, from your competitor, the top-of-the-line, most expensive replacement parts. This is the customer who takes pride in buying top-notch parts and is not afraid to spend the money. These are typically specialist fleets like over-size transport or something of the sort. The more specialized the type of transport, the better the money. The better the money, the easier it is to decide on paying more for parts because they have the margins to support it. General TL or LTL does not have this ability. When you're hauling dry vans up and down a flat highway that's a busy transportation corridor competition is usually fierce, lowering margins which in turn lowers the appetite for (or ability to buy) expensive parts. Reliability is important but so are costs.

So let's say that your customer is buying top-of-the-line air valves for 600\$ each and they replace 2 per month across the whole fleet. You want to be selling them these six valves per year. The first thing you want to do is point out that if they're replacing them this much, maybe they're not such good quality after all. By saying this you're lowering the perceived quality of the brand on the chart. But the price remains high. All of a sudden, the value proposition isn't so great. Next, you want to ask about the vehicle life cycle. If these air valves last 5 years, but vehicles are only kept for 5 years, why install a 5-year valve on a 2-year-old vehicle (with three years to go in the fleet)? 2/5ths of the value goes to the next person to own the truck. What you want to do here is not so much to realign the perception of the quality of the valve but to point out that the need for these long-lasting, and more expensive valves doesn't exist.

By attacking the point in these two directions you may not convince the customer on both or either point, but you will create a doubt about the value of paying so much for top-quality valves. You then want to offer a valve of similar, but slightly lower perceived value. A 3-year valve. When you offer the 3-year valve you want to be lower

priced than the top-quality valve (which your cost should allow you to do), but you want to make sure you leave a nice margin. You also need to defend your margin if a competitor tries to undercut you.

Next is the super cheap customer who wants the absolute lowest cost parts. We referred to this customer earlier as the minimalist. There are many roads to being a minimalist. As discussed earlier, some arrive by having a lack of confidence in their drivers and mechanics, others arrive by just focusing on how much money they are spending right then and there and refuse to look past their nose. These customers are often proud to buy cheap, believing they are getting the best price and therefore they aren't suckers for sales pitches. While some may never come around, it is possible to convert others.

The way you bring this horse to the water of better-quality parts is by helping them with physical proof. A good example is again valves, this time quick-release valves commonly referred to as QR-1 and very often found on trailers of all sorts. You can get a very low-quality rebuild for around 25-30\$ or a very expensive new one for 80-90\$. The 25\$ valve will last 6 months and the 80\$ valve will last 3 years barring direct damage or bad luck. So, in the 3 years, you have the 80\$ valve you will likely have gone through 6 25\$ valves. You probably don't need a calculator to know that the "cheap" valves cost almost twice as much, and that doesn't account for labour nor downtime. Unfortunately, the customer will never buy the 80\$ valve unless his vehicle is down and the 80\$ valve is literally the only one they can find. This is where the test comes in, and you will probably have to finance it.

The best way to get a more expensive part on your customer's vehicle for the first time is to cover the difference. If you have confidence in the part that you're pitching, this should be a short-term expense for larger and long-term gain. Before you even consider doing this you absolutely have to get the customer to agree to follow the trial, report honestly, and agree that if the trial proves successful you will get the

business. If you can't be confident of all these things, and I mean all not most, do not waste your time or money on doing a trial. Also, you need to get agreement from the customer beforehand that it is possible that after the trial goes well, the customer may shop around for prices everywhere. You are helping them improve their business; therefore, you need to be rewarded for this in the form of getting the business even if all things are not perfectly even. Usually, a good customer who is honest with you and you have a good relationship will allow up to a 3-5% difference in price because you have helped them improve their operation. You must demand this price protection and if they renege, then you have to understand that this customer is dishonest and you must never try to do the same sort of thing again. Take it as a lesson learned.

Let's then assume the customer is willing to work with you and willing to deal honestly with you in exchange for helping them reduce part costs, labour costs, and downtime. Sell them one 80\$ valve for 25-30\$. Make sure the valve is clearly marked for identification, and wait. After 6 months ask to see the valve, or that it be inspected, on the vehicle. Is it still in good condition? Ask for the sale. It hasn't been three years yet but the fact that it is still going strong could be enough. Wear, or lack thereof, will be apparent. Anyways if you don't ask, you won't get it. Every 6 months after that do the same thing until either you get the sale, the valve actually doesn't last as long as promised, or the customer made it clear they will never splurge on quality.

For all those in the middle, you can play it both ways, up and down. You know or have access to learn, which fleets buy what. Have confidence in what. For any given product line, you want to know which fleets buy what so that whether you pitch a lower quality and lower priced product or a higher priced higher quality product you can always point to proof by letting your customer know who has had success with the product and why. A warning here, saying to a

customer that competitor ABC uses a given product is as likely to motivate as it is to insult. You can use the name of the competing fleet (and don't forget, they are all competing) so your customer knows you're not fabricating a story, but focusing on the equipment they run more than the company itself. An example looks like "ABC transportation operates Freightliners and Internationals to haul their dry vans similar to yours and they've found success with XYZ manufactured parts. This has been their experience and I believe you will experience similar positive results with your fleet because...".

Depersonalizing the competing/other fleet is good form because you also don't want to send the message that the competing fleet is a better operation. You want to come with the mentality of providing advice on what works in the industry, if not an industry-standard proper. Plus, it's very hard to know how your customer perceives the fleet you want to use as an example. One last caveat, if you are going to use another fleet or garage name to illustrate a point never do so for a negative. You can say ABC transportation has had tremendous success with XYZ. It's positive bordering on a compliment, and it's talking about a part, not the company using it. You cannot say ABC transport had a failure with XYZ. If you do this your customer will know, and they'll be correct, that if they do a trial and it fails, or if they fail anywhere, that you might go around naming them and their failure. Whenever I tell a cautionary tale I make explicitly clear that I will not identify nor will I answer guesses about the individual or the company that experienced the failure. If a customer complains that I'm holding back or something of the sort I simply tell them "I am protecting the identity of these people to prevent them from being embarrassed and should it ever happen that you should have had bad luck or made a mistake I will give you the same respect then as I am giving to them now and I won't embarrass you by giving your name. Anyways their name isn't what's important, the lesson is what's important." The customer will likely not be happy about the answer but they will respect it.

The following sections will go into specific situations you are likely to see.

Chapter 5c – Vehicle under warranty

There's a specific way that most fleets will treat their vehicles that are still under warranty. It's probably a given that anything that breaks while under warranty from the manufacturer/dealer, the fleet will want to have replaced in kind and for no charge. These warranties usually include labour costs, but not always. This usually is not your business because even if you work for a dealership, it becomes a service department task. For everything else that isn't covered, the fleet will usually still want original, or first fit, parts. They will rarely install lower-cost or low-quality parts. It makes less sense to owners of new, mostly warrantied vehicles to install parts typically associated with an older fleet.

There are two ways you want to deal with these situations, especially if you don't sell OE parts for a dealership. First, if you don't have access to or are less competitive with the exact brand part that came on the truck and needs to be replaced you can offer a different, maybe more competitive product that is also first fit on other vehicles. A given part may not be first fit on this vehicle, but it is on other similar trucks or trailers, so it's obviously good enough. This again is differentiation.

A straight aftermarket (never first fit) part may be harder to sell in these situations but the second thing you can do is show the price difference and explain that much of the difference is not necessarily in quality, but in the fact that the aftermarket company didn't have the enormous expense upfront by first fit companies to have their parts installed on new vehicles. Trailers or tractors. Manufacturers give huge discounts to be first fit because they know of this buyer's tendency, which is very expensive for fleets.

If your customer's vehicle is being leased fleets who usually know they have the right to choose their parts may be concerned that when they return the vehicles an inspection will show that the part is not the original. They may believe, right or wrong, that this could mean additional costs at the end of the lease contract. While it won't usually happen even with highly visible parts like shock absorbers, it's probably best to stick to first-fit brands to avoid arguments with your customer that no one will win. When you get into less visibly branded parts like air valves, body parts or lights where the brand is not visible, you can simply show your customer how difficult it is to identify the part as being different from the original.

Chapter 5d – Fleet is keeping the unit for 3+ years

A fleet that keeps trucks for more than 3-4 years is likely serious about its maintenance and repair programs. Trailers don't have sensitive engines, transmissions, or differentials and can be abused and neglected much more. So it's normal for a fleet to keep trailers for much longer than they do tractors. Beyond body damage and visible wear, fleets don't really care how old a trailer is.

So for those reasons, I'm talking here mostly about trucks which a fleet intends to keep for many years to come.

These fleets are usually very practical. They usually see a middle ground between buying brand new state-of-the-art fuel-efficient trucks and old beaters that are completely unreliable. Therefore they usually don't want the top-of-the-line most expensive parts, nor the lowest quality parts. For these fleets, you are going to have the best success with middle-range priced parts that have a long-standing reputation in the industry. The kind of parts that no one is going to get in trouble for buying because they've been around for so long and they've been used by so many fleets. If you want to go outside of these brands, and you very well can, you are likely going to run into requests for trial parts.

There's no problem with doing trials, just make sure they buy the parts they're installing. Also, keep in mind that if you hope to sell to them, let's say, 50 u-joints a year and the manufacturer you propose sells tens of thousands per year, doing one trial of one u-joint on one truck may make the fleet manager feel better but it's a pretty awful sample size trial. If the part works well it's taken over a year to figure it out, and it could have been good luck. If the part fails early, it's still probably taken a long time to figure out, and it could be a fluke. To overcome the desire on the part of the customer to do a trial, which can almost be a flip of a coin especially when you add in the fact that the mechanic can easily ruin the project for a host of crazy reasons, you want to come armed with examples of fleets with similar equipment and needs. Try and identify a few such fleets and be ready to share their experience. The more examples you can give, the less likely they will demand a free trial.

Compounding the issues of trial parts is that by the time the trial is deemed successful, the fleet may have changed vehicles, and a competitor may propose another trial, further extending the issue.

Chapter 5e – Fleet is selling unit soon

The following may bother a lot of people. Most fleets and owner-operators selling a truck or trailer have zero interest in the quality of the parts they are installing on a vehicle, nor the maintenance or repairs it requires. Any part installed on a truck or trailer once it has been decided that it would be sold is a loss to be minimized as much as possible. This is the reality unless and only unless a used truck seller is looking to market their used trucks as refurbished and ready to operate, with a warranty. This is rarely the case.

Many sold trailers will be sold locally, but they are too expensive to export overseas. That being the case there's a good chance the buyer will know who sold the trailer because even if you take off the old decals, you can still make them out most of the time. This often leads

to people being a little more willing to spend a little more on parts. But they still only want parts good enough to make the sale. The lights need to turn on and the wheels need to turn when they should and stop when they should.

Trucks on the other hand are almost as likely to be sold overseas and shipped by container as they are to be sold locally. Often when being sold overseas basically nothing is done, including maintenance before the truck is sold. Absent parts will have to be replaced but there is extremely little recourse for a buyer in South America or Africa to come back and complain that a booster is leaking. Even if the truck is sold locally many dealerships only fix the trucks enough to look good and feel good on a road test and not have any check engine lights come on.

This means you can sell better quality body parts and headlamps, but don't think you're going to sell top-of-the-line ABS valves or air dryers. It's just not going to happen. In any case, sellers know that buyers understand that they are buying a used truck that has worked hard for years. Even if in the first week a quick-release valve two boosters and a wiper blade break, they will not be happy, they know what they signed up for. Also, the more they replace on their recently bought used vehicle, the more has been replaced, making the truck more reliable going forward.

It may be upsetting to deal with a buyer who is willing to install parts that are not road worthy, and if the customer is asking for parts, you know are dangerous on the road because they do not meet standards of some sort, don't sell them. Walk away. If the customer insists, then let someone else have a paper trail of terrible parts being delivered to the customer to install on a truck that causes an accident on the road. That said, don't expect or try to sell top-quality parts. Good enough really is good enough and no, the customer isn't always right; yes, there is such thing as a minimum quality for truck and trailer parts.

Chapter 5f – Flipping/reselling

Most (not all) used truck dealers operate the same. While a fleet like a long-term leasing company or a dealership operates different, most used truck dealers operate under the same principles, at least to slightly varying degrees. It's not a question of pejorative "used car salesman" only, it's a very simple question of the less they buy a unit for, and the less they put into the unit, then the more they sell it for, the more money they make. They are largely pushed in this direction by market forces. And they are in business to make money not to make trucking better. Most of them, and you will know very quickly if this is the case or not, offer no warranty. Typically, this is because a heavy road vehicle has had a difficult life and knowing a turbo won't blow (which is actually easy to verify) is almost impossible when putting limited time into getting a vehicle sale ready. So with this in mind, most resellers have zero interest in putting quality parts on a vehicle. Plus, the buyer has no real way of knowing who put on a sub-par part. It could have been the previous owner just as it could have been the reseller.

With this in mind, similar to the fleet that is selling a unit soon and wants to invest as little as possible, these resellers are usually worse. Most fleets won't take the time to hide problems. Many, not all but many, resellers actively do so on a regular business. They need the test drive (if there is one) to go well, that's all. And even if there is a test drive there's a very good chance it's not got a reasonable load which could help discover issues. Even if some patchwork does fail before the sale is complete the reseller will likely repatch the same problem more or less the same way one more time.

Approach this customer much as you would the fleet selling soon.

Chapter 5g – Fleet just bought used

Now for essentially the opposite. The fleet that makes a regular practice of buying used trucks likely knows very well how these trucks are sold and the types of problems that will be hidden. The savings on not buying vehicles new leaves a lot of room for repairs. This is why the primary concern of the buyer is the powertrain and aftertreatment bad behaviour. These fleets will behave largely like any fleet keeping their units for years to come. The major difference is that they will spend a lot at once when they acquire a used vehicle before putting it in service.

Typically the only aspects that a fleet manager or shop supervisor is concerned with when they buy a used vehicle, in order of importance: 1- Ability to stop 2- Ability to steer 3-general reliability (drivetrain). The utmost importance in any vehicle is that once it gets moving, it can stop. Not being able to move (for example an engine failure) is much less dangerous than a vehicle that can't stop or steer. Some will say that if a vehicle is in a blind corner on a high-speed road, it's extremely dangerous (in other words speed is the dangerous element). Speed is not dangerous if it is controllable and with enough space. Once a driver has allowed for speed and space, the only thing that matters is the vehicle's mechanical ability to steer and stop.

Try and find out when your customer of this type is buying a used vehicle. Let them know you will be available to drop by once in a while on the days they will be working on these vehicles. Make sure you do so. They will be very busy inspecting, rebuilding, and replacing parts. This is a prime opportunity to give great service. This type of attention will likely be rewarded by these types of fleets who appreciate reliability for a reasonable price. Just don't get caught making rush deliveries for a vehicle that won't see the open road for a long time.

Chapter 5h – Warranty issues

We spoke earlier about a fleet's vehicles being under warranty. Here are a few notes about warranty issues with products. Everyone has an opinion ranging from "they are important and I will get everything I can out of them" to "warranties tell me the product is better than another, but I don't count on warranties being paid" and of course "warranties mean nothing because I won't get paid anyways". As you can surely imagine, all your customers operate with one of, or even a mix of, these opinion statements. Either way, here's how to win with warranties.

It happened, so go get your money. You have no business, nor does your customer, in absorbing the costs of a manufacturer's problem. Ironically, the same customer who walks away from a deal because a brake drum costs 1\$ less elsewhere will stay silent and replace a 100\$ part without batting an eye, even while the part is covered by a warranty.

At the end of the day, this is what happened. Your customer bought a part with a warranty, let's say one year. The part failed in six months. When your customer bought that one-year warranty part they didn't expect the part to last only one year, but at minimum one and a half or two years. Since that didn't happen, you owe it to your customer to get the warranty for them.

Many will say "I get paid to sell parts and not give free parts under warranty". Congratulations to you because that attitude can only mean you operate in a market of zero competition where taking care of your customer has no value.

Always try (intelligently). The flip side of this coin is that you also have a relationship with the manufacturer and supplier you're dealing with. What this means is to try and get a reasonable warranty, but then, for example, if the driver clearly used the mirror arm as a pull-

up bar, forego the warranty claim. Make sure it's reasonable as much as possible. If your customer insists, there are likely costs to a failed warranty attempt like shipping, so let your customer know that it is them who will have to pay for this cost. Know that they won't be willing to pay even if they agree to it.

Tracking warranties is not obvious. Your customer likely buys the same part from different places at different times. It is impossible to know which exact part was installed on which vehicle and how and for how long as well as under what conditions. So do the best you can. If you have an invoice having sold an air valve 6 months ago and the metal of the valve being claimed for warranty is literally rotting, it's probably not the same valve. All you can do is try and be reasonable and with time learn by experience how a 6-month or 5-year part looks different. Don't be shy to lean on your supplier's rep or customer service for help in this regard.

There is a definite cost, but also a definite reward for your willingness to make warranty claims. There's also a right and wrong way to do it. One reality is that most parts sellers, your competition not you, of course, have zero interest in making and tracking warranty claims. They say, like our friend earlier, I don't make money on free parts. These people are missing the point. A manufacturer will not accept a claim from a distributor who has never bought the product from them. And you should not accept a warranty claim for a part you never sold to a customer. You should let your customers know that if they buy their parts from you, you will act for them to get a warranty. This will mean that all things being equal, or maybe not so equal, the sale is likely to go to the person who helps them with warranty issues. Make sure you are that person. In any case, if a manufacturer sells a part with a one-year warranty, and they did their job right, you wouldn't be selling a replacement part for over a year anyway, so you don't actually lose anything. It's the right thing to do, and it will help you build your business.

Chapter 6 – Types of Payers

One reality is that how a customer pays matters very little to the majority of sales reps. The other reality is that if customers don't pay, and pay well (in full and on time), then even though collecting isn't a part of the rep's job description, it should still be taken seriously. There is a very good chance that someday your boss will ask you to see your customer about late payment. You won't want to for a host of good reasons. Your boss is asking you to do this because you should be the person best placed to convince the customer to pay their bill, or at least to come to an understanding that will help you get paid. It's also possible that you will learn the customer cannot pay, or refuses an invoice (or many invoices). In this case, it's your responsibility to advise your boss. Choose not to and you risk seriously injuring your employer (who pays you).

There is another side to dealing with how customers pay. Yes, you will be judged on how much you sell. The number of dollars per month, per year. But you will also be able to use payment as a method to build sales with your customers. By helping your customers set up the method of payment of their choosing you may actually create a competitive advantage. Again, price is not the only way we compete and differentiate. The following is how.

Chapter 6a – Credit card payment / cash

Credit cards and cash are fantastic at the counter. Cash/debit especially, it's almost free to process, despite regular deposit requirements. Credit cards are another story in that they are very expensive to process. 2-3% is pretty standard, on top of the equipment costs. Some credit cards are refused because the rate is much too high. If a customer is paying in 60 days or more and using a credit card, this is basically the worst-case scenario. You must buy parts (you can't very well sell what you don't have), deliver the parts,

bill the parts, and then collect 60+ days later with a 2-3% credit card fee. This means a lot of money has been invested and lost in serving the customer. If the last part, being paid by the customer, takes longer than 30 days then you're carrying that cost the entire time. Likely paying interest on the money. Add to that a credit card fee of 2-3% and you've lost a significant amount of money.

If a customer pays every time they pick up or receive parts with credit cards, then credit cards aren't so bad because you're not carrying the expense of serving your customer for a long time. The money can instantly be reinvested in buying more parts to sell. If, however, a customer is clearing their monthly bill every 15 or 30 days with a credit card it's pretty good. Depending on the margins the customer is paying and your specific card processing fees it may even be worth your while to offer a percent or two discount for early payment. This is something you will need to calculate properly and then make absolutely sure the customer sticks to the agreed-upon payment schedule. A 1-2% discount may not seem like much but over a year it is a lot of money and if your customer insists on using credit cards it's because they get 1-2% in cashback or points and therefore they understand the value. So, 1-2% is meaningful to them.

Take the time to discuss with your boss if early payment or instant payment deserves some sort of discount. If they agree you will be able to lower your price a little bit. This will make you more competitive. If your boss gives you the go-ahead to do this, you owe it to them to stay diligent and deal with any payment issues. Either way, your job is not to sell for less and early payment should always be encouraged. It can be encouraged by other means as well such as priority service or access to information. It's also free to let them know that the majority of people do pay on time.

Chapter 6b – Net 30 (read net 90)

Most accounts are under the terms Net 30. Typically, at the end of each month, the customer is sent an invoice for that month's purchases and has 30 days to pay. Each case may be different but typically it's 30 days. We call this Net 30. Unfortunately, more and more customers do not respect their 30-day terms. 60-90 days is often the norm and many vendors don't begin to get concerned before 90 days has passed. The customer often wants to do this because they want to use that money elsewhere for as long as possible until they pay their bills. The longer between receiving their parts and paying their bills, the better for the customer. Many fleets and garages pay in 60 or more days not because they are fine-tuned financial machines, but because they are being difficult, and are misguided. The reality is that their cash flow benefitted from going to 90 days once. The first time they extended their payment period, after that, it's just maintenance. Had they never begun paying in, for example, 90 days, they would still be paying every month but they wouldn't be putting undue pressure on their suppliers.

To go back to paying in 30 days means paying 2, possibly 3 months' bills at once. As mentioned before, collection may not be or may seem not to be a part of your job, which is to sell. Unfortunately for those who believe that it isn't their responsibility, if customers don't pay the organization that you work for, then that organization can't pay you. You will never want to go see a customer or to have a customer upset about bills unpaid. You want all your interactions to be positive. The reality, however, is that when it's time for you to deal with this, you need to go. All you can do is be as professional as possible and make the best of it. And don't forget that, as mentioned earlier, payment terms with your customer can actually create a competitive advantage, so when you go see your customer stay open-minded and stay positive looking for solutions. Don't neglect to ask

what you can do to help them, other than wait 90 days for parts they've already received, used, and profited from.

Chapter 6c – Consignment

Consignments can take many forms. A consignment can be as simple as a few Type 31 batteries. A consignment can be for a specific line of products like air fittings and often is. A consignment can be for a seemingly random list of much or most of what a fleet or garage regularly needs. In an extreme form, a customer may have a deal with their supplier of choice that their responsibility is to supply any parts and supplies, and if they don't have it, they have to get it.

At best, a consignment is a great deal for locking in a line of business only to be renegotiated once or twice a year. All too often, however, a few problems arise. The most common problem is that no matter how simple the consignment is, no matter how short the list, some customers will struggle to track all the parts they used and may believe you've overcharged them even when you haven't. You would think it's simple. The customer has 10 units of XYZ product. You make your regular run and find 7 units left so you replace the three missing and charge 3 to the customer. Unfortunately, sometimes the customer receiving the bill for the 3 units has no idea where they've gone. They may have to go through reports or ask mechanics directly. And this is why there are so often misunderstandings about consignment bills.

The way to overcome this common problem is to make absolutely sure the customer understands that the inventory you put in their parts room does not belong to them, it belongs to you. The moment that there is less inventory in their parts room you will replace and bill them for it. They are fully responsible for what happens to parts in their building. It sounds obvious but it's not. If a driver, a mechanic or someone else steals something or even just leaves it out of the repair report, the customer will have no record of where the

part went. It does not matter! The customer was given the inventory, if the inventory is gone, they need to pay for it. They agreed to put the inventory in their care, so they need to care for it. If this is impossible, then the only remaining solutions are for you to go through the parts room with someone trusted in their company to make the list to ensure you aren't overcharging, and/or end the deal and go back to buying regularly without a consignment.

Another common problem is that even though you invested in putting a given amount of inventory in their parts room, does not guarantee that they will always buy from you. Even if a complete price study was done, and you have the best price, it doesn't mean someone else won't have some sort of promotion or make a deal. Even the kindest and most honest parts manager will at the very least have to think very hard about what to do. Most will just take the deal. The problem is that your inventory in their consignment is still your inventory. It raises the cost of inventory for your business. If you aren't turning that inventory over regularly, it is just costing you more money.

A consignment really is more money in inventory for you because your store will not adjust inventory levels to reflect the consignment at your customer's locations. The usage is still the same for them and you still need to regularly supply the customer with these parts. The only reason for the consignment for the customer (other than trying to lock in a good price) is to have critical and common parts close by, and for free. The only way to deal with this is to mark your parts either with a sticker or some sort of mark like with a permanent marker.

The final problem, and one that has become much more common, is price changes. Many things can change prices from your suppliers including a supplier being bought out by another company. There can be material shortages, shipments damaged on route to warehouses, and much more. It is necessary to leave a provision that if your costs

go up beyond a certain point, you will raise your price. Many parts sellers have lost a lot of money because their costs have gone up and the customer points to a contract and says too bad. Leave a provision. If the customer refuses you have few choices. So make sure to come to a written agreement before you set up their consignment.

Chapter 6d – Non-payment

We've already touched on those who will not pay. Here we'll speak specifically on why, and what to do about it. We will only go as far as a sales rep can because, at a certain part, it becomes a legal matter that will likely be above the responsibilities of a sales rep.

Let's paint a picture: The customer owes 20,000\$ now for 90+ days. Many emails have been sent to accounts receivable of this customer and you've received no reply. Your boss has now given you the out-of-date invoices with proof of delivery signatures as well as the total amount due immediately. Your boss may or may not add the fact that the customer is on hold until payment is received; or will be on hold if the response is not positive. Know that if the customer's account isn't on hold, you're sort of lucky and should expect it to be very soon. But you can prevent it.

The first thing to keep in mind is that the situation is real and important. Eventually, the customer will be put on hold and possibly pursued through the legal process. So even if you believe this is not your responsibility, it is your problem. So, deal with it like you would any other problem that concerns you.

Secondly, there may be a very good reason why the customer hasn't paid, and this is your first order of business. Above all, politely and respectfully ask your customer if they're aware of the balance. They may or may not, if they say they were not aware simply make them aware and ask for payment. This is one reason why you brought

proof of delivery with you. If they see proof of delivery but refuse to pay, then you need to escalate things. This does not mean being rude or aggressive. Ask when they will pay. If they say they won't then report this to your boss.

If they say that they were aware of the amount owing, ask if there are charges in dispute, or if there is a financial reason why they haven't paid. It's possible a part or even a whole of an invoice owing is not being paid because of a dispute. The dispute(s) could be anything from warranty claims to parts they believe were not received. Most people do, and all should verify and count everything they receive. Often, however, this is not done in front of the driver while they wait. It can't be this way because it takes too long. The delivery is checked, usually, much later. It's possible that later comes much later; too late. If there are disputes, ask for the rest of the amount not in dispute to be paid immediately and that they work with you to resolve the disputes.

If there is nothing in dispute and the customer doesn't deny receiving the parts, then you again must ask for immediate payment or at least to know exactly how much will be paid and when. If they do not answer this question then you need to report to your boss. If they say in a few weeks or a month, then again, report to your boss. If they say they sent payment, ask for the check number, date sent, and the amount. This is an extremely easy thing for even the worst accountant to provide. If they cannot do so very quickly, it's because they're not being honest. Again, report this to your boss.

It is possible that the customer cannot pay their bill. If that happens then you must absolutely report to your boss to have them put on hold. Ask next what can be done to help. Can they make a partial payment? When? If they can't answer this on the spot or very soon, the same or the next day, then you need to assume that they cannot or will not pay. It is unethical to hide this from your employer and allow the customer to continue to buy from you. All that is left is

legal action. You've essentially lost your customer at this point but you'd be amazed how much money appears out of thin air when a bailiff appears at your customer's door. Just know that their credit will never be the same with your employer.

Chapter 7 – Types of Returns

With any amount of sales volume, you will be faced with returns. While this is definitely true, you can mitigate returns and there are legitimate practices to have customers bear some of the cost of returns. Not all returns are made equal and they should not be treated in the same way. Also, more and more online retailers for consumers have easy and free return policies that are so generous that they put pressure on anyone selling anything in any industry. This isn't necessarily a good or bad thing. A customer who has a reasonable belief that they won't be stuck with a bad product or a product they don't need and didn't use or damage is a customer who will buy more. Confidence is important for a buyer, that's a big part of why we do person-to-person sales. Relationships build confidence.

All that being said, accepting returns does have a cost and most customers won't accept these fees. You probably shouldn't be asking for restocking fees on every return anyway. There is a legitimate possibility that a customer buys something from you in good faith but something happens on their end which means they no longer need the part or product. Refusing to help them when this happens will lead to hesitancy in the future on the part of the customer. You can read that as they will buy less. So while accepting returns is expensive, there's a case to be made that accepting no returns is more much expensive.

The difference is knowing when the return request is legitimate and fair, and when it is a customer taking advantage and being dishonest and unfair.

Chapter 7a – The customer or unit is unavailable

Here's the scenario. The customer buys a part either at your counter or they have it delivered. They come back a few days later, or possibly

a few months later and explain that their customer disappeared. It can also happen that a fleet sells a unit or the unit is in a large accident. Either way, the vehicle that the part was bought for, is no longer available and it won't become available. Unfortunately, this sort of thing happens quite often. Usually, it's not the result of a sale or accident but because a customer left, got the job done elsewhere, or decided just not to repair. It can even happen that a fleet offers to do a repair (not for free) for a broker who works for the fleet, and the driver still doesn't show up for the repair.

There are two main reasons this happens. Sometimes it's poor management by the customer or the end user. They wanted to repair while in their hometown, got a load, left, and then were forced to repair elsewhere on the road or found a good deal. These people will rarely advise the garage that the job is no longer required. More likely, the garage offered an estimate for a repair, and the customer accepted, and just never went back. This can happen for a lot of different reasons but usually, it's because saying no is difficult for people.

When this happens, you can't know if the return is really for a good reason or not. The only thing you can do is look to see how often this customer makes returns. If it is rare, it's probably best to accept a return and let it be. It's when the same customer makes returns constantly that you need to look further. Some will place 5 orders a week with multiple parts in each order and return parts from every order. Unfortunately, the better your delivery service, the more likely this is to happen. This is a theme that will run through the rest of this chapter.

If your service is fantastic, deliveries are quick and the counter and phones are operated by friendly and knowledgeable staff, then you will get more returns than most. The reason is hypocritical and very dishonest, but there is a logic to it. To offer great service and to have great staff, your company is probably paying a premium. Reliable

trucks usually cost more than unreliable trucks. Diligent and conscientious delivery drivers deserve more pay than bad ones, the same goes for those on the phones and behind the counter. This means your costs are higher than your competitors. The flip side is that you can, and deserve to, charge a bit more money if you're offering better service than everyone else. You'll know if this is the case because customers will regularly bemoan the poor service elsewhere and make comments like "they should learn from you". Hopefully, they won't.

No matter the reason, except for warranty, there will come a time when you look at the account of a customer who often makes returns and see that the profit of their purchases, minus the cost of delivery and billing, minus the cost of handling returns means that you're losing money on the account. At this point, you need to stop selling to this account or charge a restocking fee. 10-20% is not unreasonable when you look at the cost of selling a part and then having it returned. In reality, 5% is often enough to dissuade a customer from making so many returns. Especially if they are taking advantage of good service as we'll see below.

Chapter 7b – Bought everything, only needed one thing

Very similar to the next type, diagnosis by part replacement, the customer who buys everything but only needs one thing is usually in a bit of a panic. They either have very little time and/or the unit to be repaired is very far and they're not taking any chances. If a mobile unit needs to drive a few hours to repair a downed truck or trailer, the mechanic had better have everything they may need with them to avoid another trip to a store. But no matter the reasoning, good or bad, it is still a large return that needs to be processed.

What happens is, for example, a trailer is down with a major air leak and is parked on the side of a highway 3 hours from town. The driver is not a mechanic and even seeing where the air leak is coming from doesn't mean there won't be another problem downstream. The mechanic may want to make sure they have glad hands, air lines, every sort of fitting, a trailer protection valve, quick release valve, brake valve, suspension level valve, airbag, and a trailer lock airbag. Some of this list they will already have onboard, but most of it they won't. And that's assuming the mechanic doesn't really get worried and brings everything for the tractor side as well.

It's pretty well guaranteed that most of these parts, possibly all, won't be needed. If a customer does behave this way, whether it's common behaviour or not, it's worth having a conversation about it because it's expensive for you, and you will bear this expense alone for the benefit of the customer if nothing is done about it.

There are typically two types of customers who do this. Some customers do it all the time and others do it very rarely. It usually comes down to professionalism. If a customer rarely does this, they will likely let you know what they're doing when they do it because they will be a bit embarrassed about it. They recognize that it's unprofessional. If, however, a customer thinks that this is acceptable behaviour, your counter workers will know who they are because it's annoying for them to sell parts knowing they will turn around and credit the same parts later. It's human nature to not want to do work for nothing, especially twice. No reporting software is required, your people will know.

If a customer very rarely does this, it is probably a good idea to let it slide. Maybe make a joke about charging them restocking to keep them in check. Say it with a smile. You can get away with a lot with a friendly smile. This, of course, is a personal decision for your company to make. Just because a customer does this all the time doesn't mean they are or will become a bad customer. But you can't

just let it go. If you're giving out parts like your local library you still need to be compensated like a for-profit business. Have a conversation with your customer about the expense it adds and the time it takes. Just be respectful and approach them with an attitude of wanting to help, just not at your company's expense.

The argument you want to make is that if it takes 10 minutes to take out the parts and bill them, and 15 minutes to check, credit and put them back, it's very expensive for your company while they could have been making other sales. Be careful, if you do say something like "My counter person costs me, with tax, insurance etc. 40\$/hour and you take up to 25 minutes every time that you do this", do not tell them it costs you 16.66\$. That's the cost of the time, yes, but you were going to pay the employee anyway so the expense is marginal. Unless it caused overtime, it did not cost you 16.66\$. The point is that the person on the counter lost 15 minutes they could have earned money serving and billing other customers, putting away the receiving, preparing deliveries, sweeping the floor, or literally anything else. That is the point, not the marginal cost.

Chapter 7c – Diagnosis by part replacement

The customer who diagnoses problems by replacing parts is very similar to the customer who buys everything but only needs one thing, only worse. In the above example, we looked at the mechanic bringing every known part for a trailer air system to be sure not to lose time. Imagine basically the same thing only they buy one part at a time. Let's say it's a problem with air getting to the service chambers of the brake boosters instead of an air leak. Rather than verifying the air supply and working their way up to the brake relay valve and then the boosters, they will replace a bunch of parts in reverse order until they solve the problem. This includes, by the way, installing and removing new parts.

Let's say the problem was a stuck trailer protection valve. They, unfortunately, replaced a brake relay valve with ABS, a quick-release valve and then the least likely trailer protection valve. They could have solved the problem, the trailer protection valve. But the other parts cost money, especially the brake relay valve with ABS. So, similar to the buy everything, only needed one thing mechanic, they make a return. But the result is not the same. In the former, the mechanic picked everything up, left it in their truck or on the workbench and brought it back for a refund. Not good, but not so bad. In the latter case of the repair by replacement mechanic, the parts were installed, dirtied, scratched, and boxes torn.

Here you need to put yourself in the shoes of your other customers. Are they willing to buy, especially at full price, an air valve for the brake system that has been installed on another vehicle? Why was it taken off? Who did what with it? Do they want to use a valve that was used by someone unable to diagnose a part before replacing it? This is the problem; it is now a used part. It's probably dirtier than actually used in reality, with maybe a bit of Teflon stuck in the threads. The problem is that your next customer doesn't know that. And they don't care.

So while these two customers appear very similar, the diagnosis by replacement customer is much worse. You may be lenient on certain items like basic hardware but especially when it comes to electronics or electrical parts as well as air system components, you have to either deny the return because it's been used or charge enough of a restocking fee to offset the lower price you will get from someone else in the future. If you decide to do the latter you are agreeing to manage this used inventory and quite possibly have to deal with a complicated warranty claim in the future. Better not to accept. And this is not to mention they may do this over multiple invoices and multiple deliveries.

Chapter 7d – Delivery first, price second

They first call around to see who can deliver the part first. The part in question has to be something that multiple companies offer and not an O.E. captive part. Whoever says they can deliver the quickest gets the sale, regardless of price. So far, so good. Nothing wrong with paying a reasonable price to get a part quickly when you need it.

What happens next is the problem. Once this type of customer buys and uses the part or product and they have more time they will check every other seller of the same part for their price. Oftentimes every WD and dealership sells the same brands so this is pretty easy. They will then buy the least expensive part they can find, no rush of course. Then they will return the part they bought second, for less, to the company who sold them first based on quick delivery. Aside from the ethical issue of doing this, it just can't go on this way, practically speaking. Given room to behave this way some customers will go as far as they can.

In some especially competitive markets, some customers take this to an extreme. They will not ask for an eta; they simply order the part from 3-4 different suppliers and only sign for whoever comes first. This sort of customer may not go the extra yard to then shop around for a cheaper part they can return, pocketing the difference, but they're still terrible to deal with and extremely expensive. Even worse if a rep or a delivery driver makes a special run just to help the customer.

The company or individual rep who takes it upon themselves to deliver a rush order only to have it returned a few days later is bearing an enormous cost. Not just in fuel, that's almost beside the point. While the rep is doing this service, they're not selling or generating revenue. And even if the delivery driver is sent out to make this rush delivery, every other customer is taking a back seat and being made to wait longer for their deliveries. You can only

deliver to so many people at a time. Push one customer to the front of the line and everyone else gets pushed back.

All said this is abusive behaviour from the customer. They typically justify it by saying either too bad for you, it's your job, or too bad for you, you should have charged less. What this person wants is the fastest delivery possible and for the lowest possible price. And who doesn't? That's not how life works and if it's how you try to run your business, then your business won't work.

The way you verify, if this is happening, is by marking the product going out for rush delivery and making a note on the bill. On the invoice or packing slip, there needs to be a note to the effect of "rush delivery". I don't recommend marking the box with a sticker or something of the sort, they will just keep the box and change the part inside. You want to make a subtle mark on the component itself with a paint marker. Many manufacturers will use a yellow or white paint mark for quality checks, so most customers won't think anything of it. Especially if the mark is near a bar code or part number/serial number. You may want to warn the customer first but if you learn the customer is doing this to you and they come back with a part with no mark, either charge restocking or refuse the return.

The best response is to not play the game at all and forget about giving them priority service. Charging restocking or refusing a return outright can be difficult. If you know about the customer's behaviour and they ask for a fast favour, there's nothing wrong with saying you just can't do it. This isn't a lie. If you continue to do this sort of favour for a thankless customer who will just return the part, you will pay the price while they benefit, and you just can't do it.

Chapter 7e – Warranty

We've already covered warranty issues previously and I will only add that it is always worthwhile to make a legitimate warranty claim for your customer. The manufacturer has a responsibility to either make a product that will last for as long as they say it will and perform as well as they say it will or not claim anything. Failing to do what they claim, they should be held responsible for the early failure of the part. In any case, any manufacturer worth their salt will want to know about existing defects so that they can make corrections, if necessary. Also, the manufacturer may believe that the distributor or reseller is their customer but that's not true. The person who installs the part on their vehicle is the customer. Yes, it is possible for the distributor to also be the end-user. But it's the end-user who counts and they should be supported.

Remember that you are a distributor as well. It is not a unidirectional role. Yes, you order, receive, sell, deliver, and bill the parts, but your responsibility doesn't end there. It has to be believed that unless a customer demanded a certain part from a certain manufacturer that you had no relationship with, you chose to sell that part. You benefited from the supplier selling you the part and you benefited from the customer buying the part from you for money. The job doesn't end when the customer signs for delivery. If you believe it does, then your career will be much more difficult than it has to be.

Chapter 7f – Honest customer mistake / your mistake

The final general type of return is the honest mistake. There are two types of honest mistakes and both should be dealt with leniently. To an extent. First, your customer may make an honest mistake. It could be as simple as ordering a part, rebuilding the vehicle, and realizing they completely missed the boat and finally, they don't need to

replace a part. Or maybe they just ordered the wrong size or the wrong colour. It could have been a typo or just a function of going too fast. If this happens, you will usually know because the customer will likely be a little embarrassed. Not many customers will allow themselves to show shame in front of a colleague or supplier, so when they make a return, say it was a mistake, and they seem bothered by it, let it go. Don't rub it in and don't make a scene about it. If not for good taste, for the reason that if you work enough and long enough then you too will occasionally make mistakes as well. Think Golden Rule here. I'm not talking about Karma; I'm talking about good sense.

The other type of honest mistake is yours. Let me be as clear as possible. If you are an outside sales rep, and your customer calls the counter or goes to the counter, and you aren't there, and your colleague behind the counter gives your customer a left rather than a right-side camshaft, it is your mistake. Unfair? No. The more you sell, the more you are paid. The person at the counter gets paid (usually) by the hour whether there are a hundred customers or zero. They do their best for a given number of hours per day. You are paid for the volume of your sales. This means you (should) benefit more from the sale of parts. Also, you are the "rep". Rep is short for representative. The key component is 'represent'. You represent the company. That means the problem is yours. You are the face of the company (you represent it) and that means you represent the mistake. And you must handle the mistake.

If you say anything negative about the employee who made the mistake or the company you work for, you are not representing the company you work for. The people who pay you. You're not doing your job. I'm not talking about criminal or unacceptable behaviour, if you only criticize that sort of thing and don't report it and resign then you're co-signing it. Also, practically speaking, as the representative it's useless to talk poorly about the person or the

company you work for. You make a living based on the customer's ability to believe that if they deal with you, and therefore your company, things will go well. Saying you work for idiots means you're an idiot.

As a matter of practicality, admit that a mistake was made and tell them how you will quickly correct it. But leave it at that. The customer doesn't want to hear about "that damn guy". They have other things to do, hopefully. The customer knows someone made a mistake, they just want to know that it will be corrected, and if possible that it won't happen again.

As far as leniency goes, there does have to be a limit. Just as an employee who makes too many mistakes will eventually no longer be profitable to keep as an employee and must be let go if all fails, a customer who makes too many mistakes must also be dealt with. The difference is that you don't want to go around firing customers. There's a limit to how many people will want to work in a given industry or business but there's an even smaller number of customers. If a customer makes too many returns either honestly or not, eventually you have to deal with that fact. Something has to be done to mitigate it. A warning often works wonders, and if not, a small restocking fee always helps both parties. Fire even one customer and you will likely pay the price for it.

Our world is small. One day a small annoying customer is someone you think you can disrespect, the next day they're heading your biggest customer. As I've said before, being disrespectful is never a good idea, even if only for selfish reasons.

Chapter 8 Fleet Repair Decision Making - Maintenance and Repairs

The fleet or the owner-operator is the person who ultimately uses replacement parts. They own and operate the equipment. Whether you sell to a fleet, an individual owner-operator, a mobile repair business, a garage or a dealership, it's the owner of the vehicle who is the ultimate customer. How the unit owner (fleet or independent) decides to have their vehicles maintained and repaired is very important.

A fleet can be successful while never having anything to do with the maintenance and repairs of their fleet. They can focus on logistics as well as recruiting and training drivers. Also, a fleet can do every single bit of work possible on their vehicles and make absolutely no profit. How hands-on a company chooses to be with the equipment they rely on has little to do with professionalism or success. If expenses aren't managed and repair times aren't quick enough or reliable, then an operation will struggle and possibly fail.

Running a logistics company and running a garage are completely different businesses that intersect in what we call the transportation industry. This has to be kept in mind.

The following is a breakdown of how the majority of equipment owners view the decision to do their own work, whether to outsource and where to outsource. First, we will look at the three principal options for handling maintenance and repairs. They are in-house, in an independent shop or with mobile units, or in a dealership. Understanding how these decisions are made will help you compete for the business of your customers. You may not be able to change a fleet's decision on where and when to go for services but you do

want to be aware of the fleet's thinking on these issues so you can propose the right solutions to the right people.

We will look at a high level of the calculation of costs for in-house work versus outsourcing. This includes time, not just for the mechanics but for the drivers to transport the vehicles to and from shops. Understanding these costs can help you propose solutions to your customers. There's a lot more to the cost of a part and the time to repair the vehicle to consider. We'll look at how to calculate in-house costs, outsourcing costs and risks associated with each.

We'll then wrap up with some final thoughts on how fleets can make their decisions, why they do, and how you can take advantage of the decisions they've made and offer the parts and services that help them maximize the form of operation they chose to run.

Chapter 8a – In-house repairs

At first glance it's easy to assume that the more a fleet or an owner-operator does on their own, the better off they will be. While this is often true, it isn't obvious that it's worth the time and expense of doing it oneself if it isn't done properly, or if it's done at the expense of earning revenue. There's a lot more to consider than the fact that hiring a mechanic for a forty-hour work week is a lot less expensive than forty hours billed by an outside garage, especially a dealership. The calculation is not that simple.

The reality is that there needs to be a balance between the size of the fixed costs of a garage and its staff and the benefits coming from the garage. One complicating factor for many is when an on-site mechanic is regularly distracted from important work by drivers and office workers who just need '5 minutes' of their time. There is no such thing as a 5-minute job even if it's just replacing a light bulb on a truck.

If a fleet has decided to invest in a garage, they need to go all in, but it doesn't mean they have to do everything. It may mean hiring top-notch certified and experienced mechanics or even just a blue-collar type who likes working on trucks. The point is, if a fleet has a garage, the expenses are fixed but the output is not. If the output is not managed, measured and constantly maintained or improved, it will be a loss for the company. As I mentioned before, drivers and others (office and warehouse employees) can wreak havoc on the efficiency of a garage. That's why, if possible, the garage should be in another building and preferably on a different property.

If, however, a fleet owns a garage, knows its limitations (basic maintenance and engine overhauls require different qualifications, toolsets, etc.), and maintains discipline on efficiency, then the garage can be a profit driver. Anything you can do as their sales rep to help them get the most out of their shop will be appreciated. This can be as simple as labelling their fittings bins or 'kitting' their maintenance and other regular jobs.

Chapter 8b – Independent shop / Mobile units

Non-associated or no-banner garages (usually more tractor-orientated) and mobile repair service (usually more trailer-orientated) are common options for at least some work, but they come with a clear trade-off. You don't want to, or cannot, set up your own garage and handle your own maintenance and repairs in part or entirely. At the same time, you don't want to pay the large fees that dealerships and other banner holders often charge. A lot of regular work like basic maintenance just doesn't need to be sent to a highly-trained and well-equipped shop (with associated costs).

While a lot of the cost of a dealership or other banner goes towards strengthening the group and/or protecting a territory, much of the extra cost goes towards training, equipment and access to information like wiring schematics and diagnostics. An independent

garage may not have access to a lot of very important diagnostic information for any price as some information is proprietary to the manufacturer. They may not have the specialized tools and equipment, often because they're not forced to and it's expensive. A lot of this expertise is just not required for all the different facets of maintenance and repair of modern and complicated equipment.

You do need to have experienced and competent mechanics and technicians but a lot of the regular work requires much more conscientiousness than a high level of expertise. Here conscientiousness means not failing to check every component in an inspection, and not forgetting to grease a component. Often when fleets use these mobile repair services and independent garages, they do so with the understanding that if there is a big problem with an engine, transmission or differential, then the vehicle will need to be sent to a certified mechanic at a dealership. More and more, major electrical issues also fall into this category.

There is no guarantee that a dealership mechanic will be much better, only that they have access to the know-how and tools to do the job. It's entirely possible for a seasoned 30-year veteran who has stayed as up-to-date as possible in an independent garage will be forced to send engine work to a dealership and in that dealership a 2nd-year apprentice will do the work. This is not a comment on the experienced mechanic; it's a comment on the state of access to tools and information. Of course, the bill will not reflect the fact that a 2nd-year apprentice did the job, it will reflect the fact that you had engine work done in a garage with trained, certified and equipped personnel to do the job.

When selling to these businesses, mobile or fixed garage, anything you can offer in the form of information like schematics and procedures, or equipment and tools that will help them handle more different jobs will likely not only be an easy sale but you will strengthen your relationship with them immensely. They may tell you

that under no circumstances will they be taking apart and rebuilding differentials, but that doesn't mean they won't buy new or rebuilt differentials and therefore need a jack for the job and associated parts like gasket maker and vents. The same goes for transmissions. Replacing a transmission or differential is not at all difficult compared to rebuilding one. If you can get a line of products like this it will likely be a hit.

Chapter 8c – Dealership, truck and trailer

Truck and trailer dealerships are in a position where they must be able to repair and service all the equipment of the manufacturer or manufacturers they represent. The upside for the fleet is that these are the specialists with the training, information and tools to do it all. The obvious downside is that they are usually the most expensive.

Due to the high cost of repairs in a dealership, an in-house repair operation can be 2.5-3 times less efficient as measured in hours to repair and break even with the cost of a dealership, including transporting the unit to the dealership and getting the driver back. This rule of thumb doesn't always include the cost of operating the garage, at least not very accurately. A better way of looking at the difference is that if a dealership takes an hour to do the job and costs \$150/hr, then that is the bar that independent and in-house garages are compared to. All costs included, which is highly variable.

A fleet will rarely do all repairs and maintenance with a dealership. More likely they are doing some work in-house, some trailer work by mobile service, and some truck work in an independent shop. This is often the most practical and economical way of operating and it reduces the bargaining power of the dealership over the fleet. When a fleet is 100% dependent on a dealership, they may give discounts on new vehicles further tying in the customer, but this is rarely a good long-term financial bargain for the fleet. The dealership would

not do this if they didn't know they would get the money back in parts and service.

As a warehouse distributor salesperson, it may seem impossible to sell to a dealership, and it usually is. The only way to do so is if they are out of stock because they will have access to all the same lines of products as you. Typically, this will be a house account dealing with the counter and not getting particularly good pricing. The best you can hope for is to work with the dealership customer fleet with the consumables they do need such as DEF, wiper blades, load straps and bars, and things like this that wear out or go missing. To change the mentality of this sort of customer who relies on dealers requires getting them to completely change the way they operate their fleet and likely open new operations. It's not likely, and probably not a good idea. Call on them infrequently, understand that they need few products from you, and let them know that if a unit is downed because the dealer's part is backordered, they should call you.

Stay loosely associated with the fleet and its employees because you never know what may change in the future.

Chapter 8d – Cost of repairs, including downtime

A key to winning in parts sales is understanding the cost of the parts you sell. The cost of the parts you sell is not your cost plus your markup. If a part costs 100\$, lasts one year, takes 2 hours to replace, and the vehicle is kept for 5 years, then the choice to use this part is 5 times \$100 plus 5 times 2 hours. It's the cost of the part, the cost of replacing the part in-house or by a service provider, times the number of times it needs to be replaced. This is why a higher quality part which costs more money may or may not be cheaper. If a part is of significantly better quality but insignificantly more expensive, then it may be a cheaper part. If a part is significantly poorer quality, but not significantly inexpensive nor easy to repair or replace, it may not be so inexpensive.

This is actually the easy part. How much does the part cost, how often is it replaced, and what does it cost to be replaced? Many fleets will easily calculate this and base their decisions on it. By doing this exercise honestly with customers you can win a lot of business if for no other reason that they won't know what the competitor's 'real' price is. I say honestly because, in the world of mechanics, the truth will come out. Say it's a 4-year part and you can believe that they will know if it lasted two. Now, since we are trying to increase sales and, ideally, we are upselling customers, we typically try to make the case that the more expensive product will save them money on unit costs and repair time. That's a great place to begin, but it is only the beginning.

If you are upselling a customer, and selling them a better and more expensive part, then you almost always want to use the argument of replacement cost as mentioned above. Of course, social proof such as XYZ garage or transport company hauls this or that in this or that region successfully with this product is a strong reference. If the product truly reduces the need for repair or replacement due to its higher quality, you can do the math to show the advantages. Once you do this, ask them the following question: Where do you expect the lower quality part on your vehicles will break down? Will it break down conveniently in your garage or yard? Or is it more likely to break down along some back country road or in your customer's yard? And if it does break down outside of your yard and on the road, which is statistically likely, will the unit still be mobile? If not, what does that cost in driver pay, driver/employee frustration, towing or mobile service, as well as the aforementioned repair or replacement? And how about the cost of not serving your customer as promised because your driver will now be late or a no-show? All this is extremely difficult to calculate, but they still know the answer, even if the answer isn't a number. It's "a lot".

Just a heads up, this and the following sections will be discussing how in-house and outsourcing costs are viewed and treated, not specific calculations.

Chapter 8e – How to calculate in-house costs, and risks

We've touched on the cost of doing repairs in-house in previous sections but the subject deserves to be looked at independently. An overly simplified way of looking at the cost of in-house repairs is to look at the salaries and the parts and equipment costs of mechanics' work. The following will look at what should be included in the calculation, and how to understand the answer.

Cost of mechanics. Anyone running a business will know that an employee costs a lot more than their salary in insurance, taxes and more. Also, they need to be managed, or at least minimally supervised and given direction. A small fleet can get away with hiring a decent mechanic and asking them to handle yard opening repairs as well as maintenance only. But the efficiency and reliability of even such basic work needs to be managed. Ideally, a supervisor is making decisions on what work will and won't be done in-house based on mechanics' availability and competency.

Cost of space. Ideally, a garage building should be separate from the offices and warehouse. Buildings cost money but even buying or leasing a property with a garage space will likely cost more. Building costs of heating and more such as waste management and oil separators are also required. Many fleets will dedicate a part of the warehouse to hold the garage. The same cost of the value of the warehouse space should be applied to the garage. The fleet may not have the option of using the space (and paying for it flexibly), but there is an opportunity cost to not using the warehouse space and that should be accounted for. In many places, there is also an

environmental responsibility of the garage, such as keeping oil and coolant out of water drains and disposing of other waste properly as well. There is no such thing as free space, even if the additional cost is marginal.

Cost of equipment. Even if the fleet uses nothing more than some yard space for repairs and all work is done out of a mobile truck, there will always be the cost of equipment. If a fleet hires a mechanic who owns their own "shop tools", they possibly have a contractor, not an employee. "Shop Tools" refers to any hand tool over 1/2" sockets or 1" wrenches. Specialized equipment like wheel seal installation tools and tire tools are also not the responsibility of the employee mechanic. Clothes, gloves, rags, and other consumables are also the responsibility of the shop. The lines are not always obvious and may be arbitrary to a certain extent, but the reality is, if tools get expensive and/or are seldom used outside of heavy vehicle maintenance and repair, it's probably a "shop tool" to be paid for by the owner of the garage.

Cost of parts and supplies. This is where you come in and is the purpose of this book in general. While parts are the biggest part of your job, looking at all these costs gives opportunities to compete other than on price. Can you supply parts or help with waste in a way that keeps your customer's costs down? Can you help them reduce their inventory or supply parts, tools or information that helps their mechanics be more efficient? Keeping these things in mind will help you compete and gain the respect of your customers which builds your relationship.

Chapter 8f – How to calculate outsourcing costs, and risks

As previously discussed, outsourcing some or all of the fleet's maintenance and repairs is not only common, it's the norm. At a

minimum, a fleet will outsource by necessity when the unit is out of town. No one pays to have a truck or trailer towed across the country to save on repairs. Also, the driver also needs to get home.

Many people may think that calculating the cost of outsourcing is simple. What is the hourly rate and how long did it take to do the job plus the cost of parts? There are two problems with this view, and the problem only varies by degree. First, there is an old saying that you should never ask a barber if you need a haircut. The answer will always be yes and if you go bald, they'll recommend a nice shave. Second, the term gain time means profit, not time gained.

It may happen once in a while that a garage will be asked to do a job and the repair is so simple and quick, or not necessary at all, that they don't have the heart to charge for it. The reality is that even if the garage is completely honest, they typically will at minimum charge .1 hour for the complaint verification, which is fair. More likely they will do a repair of some sort, or tell the fleet they did, for a small bill, minimum. This adds up very quickly when outsourced versus in-house.

The question of gain time is a difficult one. For almost any job there exists an SRT, a Standard Repair Time. There's no official list but generally speaking, the whole world knows that it takes .3 hours to do a proper brake adjustment. The reality is that it doesn't. Even if the mechanic does the job 100% properly, jacks up the vehicle and takes measurements, etc. it should not take .3 hours (18 minutes) unless this includes getting the vehicle into and then out of the garage. The point is that most SRTs have some leeway in them.

A more efficient garage is not a less expensive garage, it's a more profitable garage. If a job is understood to take one hour, but it takes 45 minutes, the bill will be for an hour. The 15 minutes extra, the gain-time, is a bonus for the shop. When working in-house, the time

does go to the fleet unless the mechanic takes it as an extra break. If the fleet is standardized at all, there's a better chance of gain time.

I don't believe that most shops regularly add time to a job by pretending to have difficulties that they didn't have. An example would be that it normally takes 3 hours to change the headers on the engine but 5 studs broke and so it took an extra 5 hours to fix that, when in fact they didn't do the work. But not many fleets diligently check for new parts and proper greasing. So outsourced work costs balloon quickly, and many seasoned fleets look at this as a sort of 'tax'.

Another major issue that is difficult to calculate is that first the vehicle needs to get to the shop, or the mobile unit needs to get to the yard. Often transporting a vehicle to a garage means two drivers for motorized vehicles or a shunter for trailers. Then there's the fact that your fleet is not the only customer of the garage. When all of a fleet's work is done in-house then there is no issue other than the capacity to put out work. It's not rare for a unit to wait days or weeks in a yard before being worked on. The truck or trailer still costs the fleet money, but it isn't earning any. This is a major expense that you want to keep in mind.

If a fleet customer is outsourcing work because they lack the specialized knowledge, it's probably best to let it go and focus on their current strengths. If they are outsourcing work because the in-house garage can't handle the amount of work, then make sure to use this fact to offer time-saving tools, equipment and parts. Otherwise, it's a good idea to at least ask where their repairs are done. You'll often be shocked to learn of a small repair shop you didn't even know about. And if they are using a garage you know, and they happen to be a customer as well, then this is a great talking point on your next call with them.

Chapter 8g – How this decision is made

Ultimately, almost every fleet has no choice but to operate with a mix of service providers for their fleet. The majority of them have not made a spreadsheet decision of pros and cons to make up their mind. While larger fleets are more likely to have made an intelligent and well-thought-out set of decisions, it's actually rarely the case.

Most fleets do not start with someone who knows how to run a fleet. Most fleets are created by a driver who knows how to operate the equipment, knows the paperwork and the customers and decides to buy their own truck. If it goes well, they buy a second truck and hire a driver, and so on. Eventually, a mix of not knowing what they're doing on the repair side as well as a lack of time to do maintenance and repairs leads them to look to build their own garage. But even then, it's easier for someone to work in a yard out of a truck than to set up a garage properly, and not many knowledgeable and competent mechanics would agree to work in this sort of environment.

Typically, the evolution of a fleet garage looks something like this:

Driver buys a truck and becomes an Owner/Operator. They might go to a garage for their work but more likely they find a way to do their own oil changes and grease jobs as well as minor repairs like replacing lights and making adjustments.

The Owner/Operator has some success and begins adding more vehicles to the fleet and becomes the owner of a fleet. With the extra equipment and the new drivers, there is a lot more time spent managing the drivers and all the associated paperwork. Hired drivers will never care as much about the equipment as the owner and this means that the amount of time on maintenance and repairs per vehicle is much more than the owner anticipated.

The fleet owner added some more trucks and trailers, and now has 10+ vehicles, mostly trailers, becoming a medium fleet. At this point, there is no way to dispatch all the drivers, maintain all the equipment, keep customers happy, find new customers and otherwise grow the business and do the maintenance and repairs. Bills from outsourced garages and mobile repair fleets are growing. Also, the medium fleet owner knows very well what many of these jobs require in time and material and they know they could run an in-house shop to at least cover the basics.

Once the medium fleet owner is fed up with, in their view, inflated garage bills it will be seen as an obvious cost saver, an investment, to build a garage. However they decide to set up the operation when they go to hire a mechanic the only ones that they will find are untrained and uncertified mechanics. This is unless they are upfront about the situation and willing to pay a lot and give the mechanic decision-making power, or have a family or friend.

Once the owner of the growing fleet realizes they can't find the mechanics they need, meaning the type found in the outsourced garages and dealerships, they will buy more and more proper equipment and store more parts than they ever thought necessary if they are serious about solving the problem. Disagreements with the mechanics who come to work for them will have to lead to the purchase of organizers like bins for fittings and hardware, as well as the replacement of parts the fleet owner believes are still good. The fleet owner and mechanic will often disagree on what is and is not a reliable part.

The driver turned fleet owner has always had one main objective: to make the delivery to get paid. The mechanic has always had one objective: to fix the vehicle properly. So the fleet owner says, plug the tire, and it'll be fine for this quick trip, the mechanic says they refuse to sign off on the repair because the tire needs to be replaced. They are both, to varying degrees, possibly correct. The fleet owner who

can learn to take the word of the competent mechanic will grow and the garage will grow as well and evolve, gaining competency. The fleet owner who overrules the mechanic regularly loses good mechanics, has a high turnover of bad mechanics, and will always be crippled by the same problems. They will be stuck outsourcing at a higher cost. This is not because mechanics are infallible and right about everything, but because the mechanic who is afraid to have their name associated with a fleet of equipment simply won't. They will leave. This is why the fleet owner needs to tend to agree with the mechanic who is the specialist in fleet maintenance and repairs. Mechanics going to prison for criminal negligence, having caused injury or death on the road because of an improper repair is very real and every mechanic knows it.

Chapter 8h – Conclusion

Understanding where the fleet is on its journey and whether or not it will progress to the next level is difficult to know exactly. The better you can understand them, the better placed you will be to support them with products and equipment that will assist them.

If a fleet has never done any sort of engine work whatsoever outside of oil changes and battery boosts, do not sell them an in-frame engine kit. But offer the components needed to electrify their yard or a better boost pack for the shop. Keep within their level of competency to avoid problems. Trust is important. If a fleet garage trusts you enough to buy an in-frame engine kit but then they have to tow the vehicle to another garage and the job costs more than it ever could have then you're destroying the trust. This is not a relationship with which you want to have "stretch goals". Focus on incremental improvement of their shop's abilities.

Their air fittings are in random boxes on shelves? Offer labelled cabinets and label them yourself in return for the business. Are they using modified tools like a crowfoot bar to remove bearing cups?

Offer them a bearing cup remover. A proposed tool, part or equipment should be sort of obvious to them. Keep it simple, and build steadily.

Chapter 9 – Definition of a Customer Relationship

There's no shortage of talk about the sales rep/customer relationship. Unfortunately, it seems to be the sort of thing we talk about without really understanding it. Partly, this is because most reps don't have a good productive relationship with their customers. On one hand, you can't have 100 customers and have strong relationships with every single one. You can and should be respected and trusted by all of them but a "strong relationship"? Probably not possible, and not for nothing.

A strong relationship with your customer doesn't necessarily mean that you golf together or go on fishing trips every year, although that can be a positive symptom. A real customer relationship is about being reliable, always being honest (and this being known to the customer), and being available to help when help is needed. In turn, your word means something when it's time to get something from the customer and all things being equal, or not so equal, you win the sale because you have a relationship.

Chapter 9a – Reliability

The reliability of a sales rep can be measured by how often the customer is surprised. The goal is never. If you the rep have an agreement with the customer to call on them every Tuesday morning for stock orders, then don't show up Monday afternoon thinking that you are being proactive, nor Tuesday afternoon saying you were too busy. This is likely when they are going through their upcoming jobs to plan the materials they'll need. At best, they had an idea of what they had to get done on a Monday afternoon and you're showing up then rather than the usual Tuesday morning just throws off their

workflow. Showing up late likely means the jobs they planned will be deferred by half a day. For efficient shops, this matters.

This may seem mundane but the reality is that every single person lives moment to moment with certain expectations. If the customer decides, arbitrarily or not, that in the next 5 minutes, they're going to go over the maintenance schedule and they get a phone call, they will be at least a bit annoyed. We live with these annoyances all the time, no big deal. The point is, your customer is human and they want things to go as planned (expect) in their mind.

If you call on your customer every Tuesday morning and get an order which you have delivered that afternoon, but for whatever reason this Tuesday afternoon you can't deliver on time, let your customer know. We are all creatures of habit and getting the order the next morning probably doesn't matter but it's one more thing the customer has to deal with since it's out of the ordinary. Just don't surprise your customer. Be reliable.

Chapter 9b – Honesty

Do what you say you will do or don't say you will do it at all. Don't make a product claim that you could not back up in court with a skeptical jury. Your customer likely is a one-person skeptical jury, don't give them cause to distrust you. Salespeople are among the least trusted people in the world and it's not for nothing. Don't make it worse and confirm suspicions. Once a salesperson has the customer's money there's often little practical recourse for the buyer. Everyone has been burned by a lying salesperson or advertising campaign at some time. People who purchase professionally, even if it's only one of their many job tasks, are paid to be skeptical and make sure claims are valid (this includes quantity and quality of orders).

As such, the salesperson's job is hard. It's like we're stepping up to bat with one called strike. Give a customer a small doubt and usually

they will go the easy route and go straight to strike three and you're out. It might not be fair, but it is reality. You are better off by far losing the occasional sale to protect your reputation. Years of confidence can be destroyed in an instant. If you lie once, you've revealed who you are, at least in the eyes of your customer. This doesn't mean you'll be banished from your customer (though you might), but it guarantees every single claim you ever make with the customer will go through a second set of filters. A very simple filter for a buyer is: just don't trust a sales person.

By showing up presentable, behaving and speaking respectfully, and being honest at all times you not only make your job easier, but you also differentiate yourself from others. Unfortunately (or maybe fortunately), the bar is pretty low. Don't handicap yourself by lying to a customer to get a sale. You're allowed to make the very rare mistake; you are not allowed to lie.

On a final note, if you think you got away with a lie because the customer didn't call you on it or maybe you even won an argument, you're wrong. If you don't believe it then ask your customer if they are ever lied to by sales reps and ask if they still do business with those reps.

Chapter 9c – Available

It was mentioned earlier that as you grow your book of business and list of clients, eventually you need to prioritize and possibly cut out smaller/less profitable customers. With that, decisions must be made. Not being intentional and just running after whatever is loudest or seemingly urgent is also a decision. It's just a bad one. It won't (shouldn't) be comfortable, but when you have a meeting with one of your top 20% customers in 10 minutes and one of your bottom 20% customers needs your help urgently, you may need to make the right choice and go to the meeting you had planned. This is a part of

managing your time, your book of business and your customer list generally.

That said, once you have decided on your priorities, you need to be a bit ruthless about it. This is not to say that you are rude or disrespectful of the customer you have to deprioritize. You simply and politely let them know you aren't able to provide as much of the help or support they need. You may wish you could help them that much; tell them this. When you do, make sure you're looking long-term. The lower priority customer that you can't attend to as they wish today can potentially become one of your biggest customers in the future. Maybe they need you to make them a higher priority, but you have to be realistic about yourself and your needs. It's your career. Just don't forget how small this industry is. Be rude or dismissive of a small garage purchaser today and run the risk of losing your biggest customer next year when the same individual gets a new job. It's not necessary nor productive to be rude, impolite or mean to anyone ever. Even if the customer is not right with you, take the high road, you don't know where anyone is going.

Chapter 9d – Dealing with abusive customers

In just about every truck parts market there are many options for people to buy their parts. With the use of online stores and courier services, regional customers now have more options and everyone has more competition. With this, most customers are well aware that the power is much more in their hands than the sellers. Add to this the fact that most people are trying to sell the same brands, and it's very difficult to win. It's nothing for a major metropolitan city to have 10 or more competing organizations selling the same brands of wheel seals, for example.

The result of all this has not been for organizations to intelligently delineate which markets they will focus on. They don't choose certain client types or categories of products to focus on. Everyone wants to

be everything to everyone. This isn't right or wrong, although it's ineffective, it's the way it is. The way some customers have responded has been logical, but extremely harsh.

On the one hand, even small garages and fleets demand large price and service concessions from salespeople. Most salespeople justify folding to the pressure by saying that if they don't then someone else will. It's a tidy self-fulfilling prophecy. All the while, prices and profits decrease. At one point, you need to say no. It is better for you and for the industry at large to set and keep a limit on how low you will go on price. Everyone always has an excuse, so don't. and in case it's unclear, selling at cost is still losing.

Another response from customers who feel they have all the power is to order for speed first then look for the price and make a return as mentioned previously. What's worse than this is when the speed side of the question goes one step further. They order the part from multiple places and whoever delivers first gets a proof of delivery signature, and everyone else gets turned away. Same as with the issue of demands for a lower price: say no.

There's a lot to say about giving good customer service. There's an important point to make about being competitive on price. But there needs to be a limit. That being said and understood, every single rep needs to draw a line in the sand for what they will and will not do. Also, when a concession is made, it needs to be done for a reason.

A customer has been buying wheel seals from you of a certain brand for 2 years. One day they come to you and say they want a 5% discount on the product line. The initial answer needs to be a question. Not a yes or no, but why? Are they buying 30% more units per year than when the price was agreed on? Has there been an excessive amount of price increases over the last two years? Those are valid reasons for opening a negotiation but if they are getting good prices and good service from you and there's no outside

pressure on the price, don't lower it. Say no. If the customer explains that a competing company offered a 5% lower price and they're just asking to match. Fair enough. Ask to see the quote. They may refuse to show you the quote, refuse the price adjustment and see if they stop buying. The point is, that you need to push back, politely, it's your job. It's called protecting margins.

It's also not just a question of it being "your job", it's a question of the survival of your job. If you have 100 customers each buying between 2,000\$ and 15,000\$ per month from you (and congratulations) and they each, in turn, ask for a discount here and a discount there, how long until you're doing volunteer work? The person signing your check will not do volunteer work and won't allow their money to do volunteer work.

You always want to give the best service and pricing you can to remain competitive and satisfy customers. Raising prices due to your inefficiencies is inexcusable. But sometimes you need to read the writing on the wall. If every time you go to see your best or worst customers and they ask for a concession of some sort, you have work to do. If they're playing games with your delivery costing your company money and, much worse, time, then you need to think about what you're going to do, and you need to do something. There's work to do.

You can and always should try to negotiate with customers who are leaning on you too hard. Push back against price demands and also wait to see what happens. It's amazing how often a customer says I need this or that price on a product or else, I say no, and they go on buying from me anyway. One reality is that if you were charging, let's say, 40\$ for a given wheel seal and your customer demands you lower your price to 35\$ or else and you do, it tells them that you were overcharging by 5\$ all this time. You clearly always could because you just did. What happens next is that every single item you buy from

them goes into doubt. Every quote is questioned. Your reputation can be your biggest margin protection device.

Every time you refuse a price adjustment you get the opportunity to explain why the price is what it is. You might explain that your price is what it is because the cost of offering 2-hour delivery is high and you can put them to same-day or next-day delivery for a price reduction. You also may explain that you're 2-3% more expensive than the others because the cost of holding 3 months of inventory to make sure they never go without has its costs as well and that you can lower the price but you'll also have to lower your inventory levels accordingly.

One thing must be clarified. None of this is to be taken as negative or an excuse to be aggressive. It is not "to hell with you, I'll just deliver when I want". It's more like "if I'm able to fit you into a delivery run on my route my driver will make one less detour, saving me money, therefore if you accept, I can lower your cost because my operating cost will go down as well". Also, it is not a question of saying something to your customer like "Fine, I'll lower my price, but now you'll see a lot more backorders and delays causing your garage to get backed up". It's more something like "I understand you want to find a way to lower your costs. A part of my price calculations is the cost of carrying the inventory I need to keep on hand. Let's look at expected usage to make sure I'm holding the right amount of inventory for you as well as how we can better communicate about your needs so that we both can save money together".

In general, this is the direction you want to take with customers. It's also much more difficult for a customer to shop the entire continent for the best airbag prices when they just spent an hour with you figuring out forecasts and adjusting inventory levels just to do the same thing with another 10 companies. I'm not saying that they won't, I'm saying it puts the odds of having a more loyal customer in your favour.

Don't just lie down and accept demands and disrespect from a customer. Do your job and negotiate. And have fun.

Chapter 10 – Difficult Competitive Situations

In reality, sales reps run into difficult situations every single day, all day. If a sales rep isn't constantly confronted with problems, then they are not doing their job. Every day, all day, sales reps should (1) be helping customers, (2) increasing business with existing customers, and (3) be looking for new customers. This means handling the occasional problem that will inevitably pop up with customers, keeping an eye out for prospects if not actively seeking them, and constantly trying to increase the share of every single one of their customers. The share of each customer is not just a question of getting a higher percentage of their spending but increasing that spending as well.

As such, the following is some quick and short advice on how to deal with the most common issues when performing these three basic functions.

Chapter 10a – Well served/happy with competitor

Most buyers of truck parts did not start their career this morning. They know where they can buy anything they need, or at least they believe so because they have had to. Often for a very long time. So, assuming that an existing customer or prospect is happy with the service and price of a competitor, this is an issue that often comes up.

Because you don't want to go straight to cutting prices, begin with asking about service. Specifically, you want to know how often your competitor delivers, and how often they have backorders. No answer is a dead end. If delivery is like a pizza restaurant and every order is delivered within 30 minutes, that's a hugely expensive service, you can

probably cut their price and still make good margins. Ask if the customer needs this service or would settle for twice-a-day delivery and a 5% discount.

For the question of backorders, the same rule applies, no bad answers. Never a single backorder, ever? Again, this is expensive, maybe you can work with the customer to work out a deal based on their usage. Do they have backorders all the time? Great. Tell them you will work with them to make sure you always have what they need (if you're able and willing to put it in the inventory).

Either way, great service, mediocre service, or bad service, your task is the same, differentiate with your prospect or customer. Every customer has different needs and just because a customer is happy with bad service but low prices or demands great service even at high prices does not mean you can't sway the customer to a model you can differentiate with. This is the essence of your job, changing your customers' perspective on their needs and what they will accept. It is much easier to come in late and differentiate than to lose a customer, learn that you lost the business, figure out why, and then respond.

Chapter 10b – Never heard of your company (or you)

It may seem as though a customer who never heard of you is a terrible thing. It scares many beginner reps. The reality, however, is that it puts you ahead of your competition. If anyone does a sizeable amount of business with a customer, and usually customers are buying weekly if not every day, mistakes will be made, and there will be small irritancies. You always want to minimize problems, but they will happen. By showing up unknown, you don't have a positive track record, but you don't have negative baggage either. Keep this perspective when dealing with a new prospect who has never heard of you or your company.

That being said, if the prospect knows your company, but not you, you will have a lot of work to do. The less industry experience you have the less that customers will trust and respect you. Like with any relationship you begin to build trust small and work on being respectable to gain their respect. It would be nice to get a small order to show how well you perform delivering orders correctly and invoicing promptly, but you probably won't get that on your first call. Begin small and tell your prospect when you will call on them next, then arrive exactly when you said you would.

If they never heard of your company you will have to explain what the company's core functions and competencies are. What major brands do you have available, and how do delivery and invoicing work? The best way to deal with this scenario is social proof. If the company has good existing customers, you will need to let this prospect know who does business with your company as a sort of social proof that you exist and have some level of competency.

One quick warning. If you don't know the prospect, and they don't know you, and they give you a massive initial order on the spot or at least very quickly, do not enter the order. Verify with accounting first if they have good credit. There's no reason a good customer who is solvent will give a stranger a large order. It will not happen (except for one situation). If they instantly give you a massive order, it's because no one else will deliver without prior payment. Look to build your business, but beware of overly eager new business.

Chapter 10c – Former customer (they left)

There are two main reasons to lose a customer. Either you as a rep upset the customer enough that they barred you (covered next), or the company you work for dropped the ball or stopped sending a rep to call on the customer. We'll cover the latter because it won't be covered elsewhere and it is very common.

A company has a sales rep who calls on a fleet or garage. One day the rep quits, retires or moves on inside the company. Either way, there is no longer a rep calling on the fleet or garage. With the pace of this business and the amount of competition, it won't be long before the customer moves on completely. Now you come in. Typically, the customer won't hold it against you for the lack of representation but they will take it out on you because you are the rep (short for representative). You represent the company.

The good news is that All you need to do is maintain consistency, expect to build slowly and lean on historical sales to build new ones. Use the historical sales records of this customer to start new conversations about building business. It will be easier and faster to rebuild than to start over with a completely new product line. Just be ready to take some grief along the way, it does get better.

Chapter 10d – You made a mistake (or lied)

If you made a genuine mistake that cost the customer big, be prepared to pay the price. It is surmountable but if they counted on you big a thousand times and you then let them down once, they will forever doubt you in the future to some degree. It isn't fair to you to have a long and positive record destroyed by one honest mistake, but that doesn't change reality. You can fight this fact and remain indignant, or you can acknowledge the fact and work within the new context to move forward. It's not the end of the world, but your world did change.

If your mistake was due to you having lied, that's a different story. Most customers won't berate you forever for lying to them. Luckily for you, they're used to dealing with unethical salespeople. What they will do is never give you the benefit of the doubt again unless it's meaninglessly, low risk, or they have no choice. You may find very

soon that your relationship seems untouched. The reality, however, is that they will always have an extra doubt about everything that you say. In the end, it's their job. If they accept that you lied to them and it caused them a real problem, it would be incompetent to trust you fully again.

The remedy is to be excessively transparent and forthright about the lie, and continue in the future. The real solution is the old trope of under promising and over-deliver. If you know a part will arrive in one day, tell the customer they should have it in two. If you're giving ballpark pricing (you shouldn't but sometimes have to), say something too high and hope it turns out to be lower. Never surprise your customer, but when you do, make sure that the surprise a delight.

Chapter 10e – If you're losing to: ...

The previous sections cover rather exceptional challenges. The following three sections are much more common. Every day, hopefully, you are trying to increase your market share. If you take a lot of shots, you will miss some. The following is a brief overview of how to deal with them. The main reasons for losing a sale, or not winning one is because a customer has a better relationship with a competitor and isn't too concerned about price, they get a much lower price from a competitor, or they get such good service they can't be bothered changing.

Chapter 10f – If you're losing to: a relationship

One of the most annoying ways to not win a sale is when you know you have a good, or possibly the best price, your service is good, if not the best, but the customer buys from his friend. Your competitor. It feels hopeless. by friend I mean an actually friend of the customer or a competitor with whom your customer "wins" an all-inclusive trip every year. And to be clear, you will never get 100% of the business

currently going to the friend. Personal relationships are important to everyone. That said, a relationship is supposed to be a two-way street. Relationship comes from latin word for 'to bring back' or 'restore'.

If the customer is always paying more and/or not getting very good service because they buy from their friend, what kind of a friend is this? Gently and politely ask: if your friend is such a good friend, how come their price is always higher? Remain patient, and remember you're insulting the customer when you do this. One problem of working with a supplier who is a good friend is that because you're so comfortable with each other, it's easy for one to assume the other will be understanding and fair.

Your customer will likely never bad-talk your competitor but remain polite and consistent, always remind your customer you are there for them if ever, and wait. It won't be long before the friend drops the ball on something. This is your best opportunity to make ground. Don't gloat or trash your competitor, just take the business, be professional and do the job right. Act like it's normal if you want it to be. Every time you do this your customer sees it, even if it doesn't show. It will take time, include this fact when calculating the long-term value of the customer.

Chapter 10g – If you're losing to: lower price

We already looked at how to use price and product level to compete. Since this happens so much it bears repeating the most important points. First, your job is to convince your customer to make a change that benefits you, while benefitting the customer as much or more. Secondly, and piggybacking off the first, you need to set a limit. How low will you go? To bankruptcy? Whether your customer is using the cheapest product on the market (and you will make the case for better quality to differentiate), or the product is somewhere else on the quality ladder (in which case you are offering higher or lower quality alternatives to differentiate), your job is to... differentiate.

Your employer does not need you to spend your days handing out flyers like the mail service and lowering prices 2% at a time. Anyone can do this, even if they don't speak the language. Your job is to build business and to sell by differentiation and service.

Chapter 10h – If you're losing to: better service

If your customer buys from your competitor because they have better service, keep in mind that they are paying for the service. If not, your competitor is losing money. There are customers in very competitive markets who pride themselves on holding practically nothing in stock because when they need so much as a bolt or air fitting, they just order one for immediate delivery. It's ridiculous, but it happens. Luckily, I can guarantee is that not all your customers are this way.

If you work for a well-organized company then you know the cost of serving customers. The more trucks and truck drivers you have, the better your service should be, but the more expensive the operation. A pickup truck and a driver's salary is extremely expensive and it takes a lot of parts sales to pay for it. Fortunately, so few companies analyze the cost and effectiveness of their delivery service that just being intentional and making a basic effort to be efficient will differentiate you in lower cost for service than your competitors. Work with your company to understand what sort of margins you should be charging for the level of service you offer. And sell on the back of that service, expensive or not.

Conclusion

I was once asked after a good number of years in sales what I now do differently. The question was to look into how I've developed myself if I've been open-minded and adaptable. I had to laugh because the reality is that the true answer was "pretty much everything". It would be easier to say what hadn't changed. I remained respectful and diligent, and I still work just as hard (there's a get-up and do-your-job blue-collard-ness about sales that many miss). The longer list was what had changed which included everything from how I found prospects, to how I negotiated and even how I prioritized my follow-ups. I hope that this book helps you on your journey to transforming yourself into such a good salesperson you hardly recognize your younger self.

In this book, we've looked at all the different customer types and the types of people with different roles that make up those customers. Understanding all this is the foundation on which you can build your sales expertise. Knowing the product is extremely important but if you don't understand your customer, you're limited in what you can do with that product knowledge. As a salesperson, your job is more concerned with building business relationships and smoothing out issues than actual technical knowledge.

I am deeply grateful to you for picking up this book and giving it a read. I wish you the best of luck in your career and I hope what you've found in this book contributes to your success. And remember, just as I said earlier almost everything I now do in sales has changed, there's a flip side to it. I started by doing it poorly. And that's okay. No one can start a sales career in any field and out of the gate be perfect. Partly because perfect doesn't exist (at least not for much more than brief moments). So don't be hard on yourself, just focus on getting better and learning. There are huge rewards in this

Truck Part Sales

industry for the person who sticks and makes good, and you can choose to be that kind of person.