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Data is essential, but how to pay for it?

by Geoff Mutton

The need for specific vehicle information and data is growing rapidly. General electrical and electronic diagnostics have become a larger part of a workshop's workload. The availability of reliable and accurate vehicle data is now essential to get the job done, but it isn't free.

Information subscriptions are an increasing expense item for workshops. One Capricorn member workshop I know was paying for the following information and assistance subscriptions: Autodata, OurAuto, TaT, Diesel Help Australia, Autonerdz, IATN, Diagnostic Network, Snap-on Information system, Autologic and various OE service and information portals. These add up to thousands of dollars every year.

Information providers will happily tell you that their subscription should be seen as an investment and not as an expense. They are all correct, but only if workshops charge fees for them.

So how do you recoup these costs. The answer is charging a data fee to your customers.

Before we discuss how to charge a data fee, I want to wind the clock back 15 years. If I asked a group of mechanics who charged a separate diagnostic fee to look at a car, I would have received a very strange look from all but a few. "You can't do that" or "Customers still expect free quotes" would have been the normal response. Fast forward to today and the overwhelming majority of workshops charge a separate diagnostic fee. Everyone now understands that you can't solve problems and give away your expertise for free.

My point with mentioning charging a separate diagnostic fee is that it may have felt odd once but it's now the norm. The same applies with charging a data fee. It might feel uncomfortable now, but it will be the norm within the next few years.

If you think your current subscriptions are expensive now, hold on to your hat. It is predicted that these fees will dramatically increase in a few years – supply and demand, plus technology just keeps growing more complex.

There is no way that your hourly labour rate can cover these costs anymore. You need to start charging a data fee now to cover these growing costs.

So how do you do it without upsetting the customer.

A little education is required and be upfront. Try to sneak it onto your invoices and you will have upset customers. Explain to customers that in order to diagnose and fix the problem correctly and as quickly as possible, vehicle information and data must be accessed, and it costs money.

The argument you once used to explain diagnostic fees must be now applied to data fees. The aim is to have customers accept data as a shelf item of the workshop, just like the oil and filters.

As an example: *"In order to diagnose your vehicle, we are going to need to access data and wiring diagrams. These will help us diagnose the problem quicker and more accurately. These will cost \$25. Are you happy for me to go ahead and access these?"*

You shouldn't find too much resistance – why? Most modern car owners know only too well how complex vehicle engines and components have become. That's why few motorists ever look under the bonnet. What's there to see? Engines are now weird and wonderful places, and out of bounds to the tinkerer, so this mystery is in the workshop's favour.

Customers like to think that they have saved money so you must make it clear that this information and data will save time, and therefore a technician's labour charge could be lower than otherwise. The other benefit is that data will help make the diagnosis as accurate as possible.

When the job is done, the information or data you have used must be presented to the customer with the invoice. This small gesture validates the purchase of data, and leaves the customer with the perception that they have received full value for money in the process. Showing them a complicated wiring diagram will also help elevate some perceptions that mechanics are still grease monkeys.

The fees to be charged must be determined by the individual workshop, but as a guide, a sliding scale from \$10 to \$45 is quite common. Workshops need some flexibility because some data is harder to find than others.

Presented properly to the customer they will happily accept these fees as they know the job will be done more efficiently and accurately. The workshop will now be in a better position to fund subscriptions, memberships, equipment updates and training.

So, if you're not already doing so it's time to start charging a data fee. There is no way that your hourly labour rate can cover these increasing costs any more.

The place to start is www.tatbiz.net.au/capricorn

Just go for it!