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Customer Service

To The Next Level

To maintain customers like McDonald's, service is a top priority for this VAR. What's he doing that you're not?

BY MIKE MONOCELLO

Euthenics is a POS (point of sale) VAR that specializes in large national accounts. How large? We're talking Golden Arches large. Since 1999, the VAR hasn't lost a single large account, which the president and CEO, Lee Kosmen, attributes to his company's dedication to service and support. Kosmen won't purport to be perfect at service and support or claim his way is the only way, but it's obvious that he's doing something right. When pressed to share the secret of his success in the area of service and support, his answer is surprisingly simple, albeit uncommon. The Tech Police.

Essentially, Euthenics' quality control method is for their logistics management people (and sometimes Kosmen himself) to randomly, and sometimes strategically, follow behind field technicians to grade the work that was performed. The process is this: when a field tech's job is completed, all work order detail is sent to accounting for billing. This also alerts Euthenics' field service manager to let him know that a job has been completed, what the job involved, and who the tech was who performed the job. The field service manager will then take that information and check the proficiency rating (based on past performance) of the technician. If it's a high rating or the job was simple (swapping out a receipt printer), he might decide not to review the work. If the tech has some black marks, it sends up a flag which could prompt a checkup of the quality of the work performed.

The TCO Of POS Starts With Cabling

During the inspection, Euthenics management will ask to see the installation or repair site and inspect the job, taking pictures

EUTHENICS

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2010 PROJECTED SALES GROWTH RATE: 8%

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Photos by Lyal Louth

LEE KOSMEN, PRESIDENT AND CEO OF EUTHENICS, SAYS SPENDING EXTRA TIME MAKING SURE CABLING IS RUN PROPERLY CAN SIGNIFICANTLY LOWER THE TCO (TOTAL COST OF OWNERSHIP) OF A SOLUTION.

“If you compare the length of the sales process with the life of a support contract, the customer has to live with the support people for years compared to weeks with the salesperson.”

LEE KOSMEN, EUTHENICS



of the job site for record-keeping and training purposes. Apart from ensuring the systems are working properly (if they're not, remediation work is immediately performed), Euthenics also focuses on the cleanliness of a job, specifically when it comes to cabling. “The number one issue that requires on-site tech support and costs

customers money is with cabling,” he says. For instance, it's common in restaurant POS installs to see cabling hanging from the ceiling dropping down to POS equipment in the kitchen area or to see cables loosely running to the back of a POS terminal. With sloppy wiring, Kosmen says it's easier for the cabling to get accidentally snagged by an employee or disturbed by another service provider. “We've seen CCTV guys come in to run their own cabling and do everything from move the POS cables to accidentally cutting the POS cabling,” he explains. “To avoid such problems, we strive to install network cabling like an electrician would install their wiring.” Meaning, it's standard Euthenics practices to run Cat-5 in conduit to make it protected. Essentially, Kosmen wants his techs to do everything possible to keep the cabling out of sight and reach of both restaurant customers and the restaurant crew. If the cabling is done right, there are fewer possible points of failure.

Kosmen anticipates between \$938 and \$1,500 in service work invested in a system over its five-year life. “My competition might say that's too low,” he says. “But, if we spend the time installing network cabling correctly, we can slash total cost of ownership radically.” For the VAR, this means it can plan for fewer wiring-related on-site service calls and therefore hire fewer techs. He adds that, in the POS industry, it's common practice that all the cabling gets torn out every five years or so when a new POS system is installed. The reason this is common practice is because the cabling wasn't installed properly to begin with. With protected cabling, when it's time to install a new POS system, the job can be done faster and cheaper.

Service Your POS Customers With Urgency

During these grading sessions, Euthenics doesn't only look at the technical work performed, but also at the professionalism of the team. “When you do a service call, you're not just fixing the equipment, you're fixing the person as well,” he explains. “The employee can't use the equipment, which is a tool for them, and therefore the employee is inconvenienced.” Depending on the personality of the employee, there are various levels of despair they could be in when a tech arrives. Being in a state of despair, the last thing Kosmen wants is for the

MoreInfo ▶ For more on offering great customer service, go to <http://bit.ly/9EkYu0>.

Your POS Vendor Selection Can Lower Your Inventory Costs

Being a VAR focused on quality service and support, Euthenics President and CEO Lee Kosmen doesn't carry any hardware brands with a failure rate of greater than 1%. Like many VARs, Euthenics has an advanced exchange program it offers to customers looking for rapid replacement of troublesome equipment.

To have such a program, Kosmen explains that he has to have enough inventory on hand to meet the needs of his customers. “If I have a customer with 50 stores, and they're running NCR, and I know NCR's failure rate is

fore, carrying a product with a higher failure rate means a higher cost to the VAR which gets passed on to the customer in the form of a higher advanced exchange program cost. “While NCR units might cost a little more with the initial investment, the long-term costs are lower,” he adds. With 75% of the VAR's sales being NCR hardware, this equates to a lot less stock Euthenics has to manage and less capital it has to tie up in inventory.

Fifteen percent of Euthenics' annual revenue comes from this advanced exchange program. The cost to customer depends on the configuration of hardware being covered and options for shipping speed of each item type. Kosmen says such a program typically ranges from \$850 up to \$2,500 a year.

Apart from reliability, Kosmen says that when there is a problem, the modularity of the NCR all-in-ones his company installs makes it easier to stock and replace parts. “Not only do we have to stock less NCR inventory, when we need to use it, the design of the terminals makes it so we can swap out a power supply or even the motherboard,” says Kosmen. “This, rather than having to swap out an entire unit.”



LESS THAN 1% FAILURE RATE MEANS VAR EUTHENICS CAN TIE UP LESS OF ITS CASH IN SPARE INVENTORY.

less than 1%, that tells me how much stock I need,” says Kosmen. “With a low failure rate, I might have \$5,000 invested for that customer. If we carried a product with a higher failure rate, I might have to triple that.” There-

customer to feel anything less than comfortable with the tech on-site. Items on the VAR's postservice checklist include promptness of the tech, friendly greeting, clear explanations to the customer, and completion of the repair job during the initial visit (see the sidebar on the previous page for more on how Euthenics handles repair work). This last point is of particular importance to Kosmen. Far too often, he says, service people will come in, poke around, and say, "It's broke. I don't have the parts. I'll come back in a couple days with the unit fixed." Of course, the customer already knows it's broken. If the customer needs something to work properly, they don't want to hear that it will be fixed in a day or two. Upon greeting the customer, Kosmen wants his tech reassuring the customer that they won't leave until the problem is resolved.

Protect Your Company With Customer Service Procedures

All this tech policing not only serves to make customers happy, it also protects the VAR. Anyone in the service business has experienced support calls for equipment "A" after work was performed on equipment "Z" — two totally unrelated pieces of equipment and two unrelated issues. But, the customer associates the new problem with the tech being on-site and assumes that the tech caused a new problem while fixing the initial problem. What fol-

lows is usually an awkward conversation where you try to politely tell the customer that they're wrong and the problems are unrelated. Or, in even worse cases, a troubling customer can come back later and say the job was performed terribly and the work was unfinished. "It's easy to defend ourselves when I've got testimony from the customer saying the job was well done and I have photos and quality checks of the work performed," he says. "Doing a customer service follow-up helps diffuse a lot of the nonsense you get in this industry."

Additionally, by closely monitoring the performance of each technician, Euthenics management also gains the ability to determine if a technician needs additional training.

As mentioned earlier, Euthenics' efforts to provide quality service and support are simple in concept. Most good ideas are. What makes Euthenics different is the company's execution in monitoring work performed. As far as keeping customers happy, the model makes sense. "If you compare the length of the sales process with the life of a support contract, the customer has to live with the support people for years, compared to weeks with the salesperson," he says. "With that in mind, there are obviously more opportunities to fail or disappoint a customer or, as we strive, to please and satisfy a customer." ●



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