How Much are You Paying For Software?

By Robert Sombach

Tell me if this sounds like your business. You invest in technology, like software, to run your scales business because it should save money compared to the alternative (the alternative is usually a time consuming manual process). Can you imagine trying to schedule technicians without software? How would you keep track of all the paperwork that comes in from each technician on a weekly basis, without a database of call reports? If a customer calls for a calibration certificate, it needs to be in one place for quick reference, right? Of course, an accounting system like QuickBooks and a CRM system for your sales team are yet more software packages that help your company function every day. You are likely paying maintenance every year for each software package, but the bigger question is how much are all of these different software products really costing your business?

4 software packages = 4x maintenance costs

Recently a leading scale company contacted us after reviewing their operations. Their first issue was the annual maintenance they were paying for all the various software products they used to run their business. When they compared it to a unified scale dealer management software like Miracle Service, the price was close to 4x higher. That's not surprising; for legacy software systems, annual maintenance costs are not often reviewed or challenged, they are seen as another cost of doing business. When they come in separately throughout the year, and costs are assigned to different groups, they become hard to find for owners or senior managers. After digging a little deeper, the maintenance cost was only part of the problem.

Multiple data entry = higher admin costs

The next issue was that the software products did not "talk" to each other. What that means is that if you entered information into one system, it did not cross over into the other software systems. If they were doing a calibration, the software managing certificates would prompt for a call to be set up. The admin staff would schedule a call, then enter it into the technician scheduling software. When the call is executed the technician's paperwork would then be returned. The returned paperwork required the admin staff to enter call details into the software that tracked service work, the certificate software was updated, and then the corresponding call would be recorded and billed through QuickBooks. All these systems made it difficult to track the productivity/success of the technicians. There was no one place to gather metrics on call success, times and parts used for each technician, making it difficult to reward successful techs, and identify which ones needed more instruction.

Management using multiple systems

When it came to managing accounts, the multiple software systems approach really started to cause problems. If a sales rep wanted to see what machines a customer had, their service history, purchase history and calibration data, they would literally need to find each piece of information in four different places! Customers that call in would often expect that those details were all associated. "How much was my last invoice, what was performed on the service call and when, and can I get a copy of my calibration certificate?" That information was all held on different systems. The ability for a sales person to be proactive and manage accounts was severely restricted and much of their time is spent collecting client information instead of on customer interactions.

Paper-based workflow = slow cash flow cycle

The current approach also required that the paperwork be returned to the office and the administration team to enter it and then bill the customer. In some cases, busy technicians with remote calls could take a week to return the paperwork and the admin team could also take time entering the data to create an invoice. The reliance on paper could also cause issues if copies were lost or misplaced. Pushing back an invoice date by 7-10 days, results in a longer collection process. A faster invoice to collection timeline (also known as days sales outstanding, or DSO) gives a company much better cashflow and working capital.

Unified workflow starts with the service call

An onsite service call or calibration can involve entering information or changes such as:

- Device model, hours to complete the call, parts used
- Notes on the call and recommendations for the next call

Schedule for the next call

- Changes to the contact information/device location etc.

With an integrated dealer management system such as Miracle Service, these items are stored electronically in one place, and are accessible to the service technician when they are onsite through a tablet. Customers can view call details immediately upon completion and sign/approve the details electronically. The next required visit is automatically calculated. Once approved, the details are submitted back to the office electronically - no more waiting for the paperwork to be returned, or hunting down missing details. Billing commences immediately after the call is completed and exported to an accounting system like QuickBooks, so there is no double, triple, or even quadruple entry of information that eats up so much back office time.

An integrated system with CRM functionality will allow your sales team to access and manage customer information and communications in one centralized place and with built-in inventory, model parts and products can be updated real time.

A big trend in software today is reducing the number of software vendors and products wherever possible. Annual software maintenance bills certainly have a visible dollar value attached to them but the internal cost of operating different systems is often much higher. Have you considered doing an internal audit of the time and money you spend on software and labor associated with managing the various software packages you use every day to run your business?

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