

NON-PRODUCTIVE COST Process Guide



Non-productive costs are all the costs you do not directly bill back to the client on the invoice, but are required to perform the job. You might also call these costs Non-billable costs.

Examples:

- Morning routine of getting the crews / techs out the door
- Loading / unloading
- Equipment maintenance
- Drive time
- Filling truck with gas
- Getting ice and water for the day
- Buying supplies & materials
- Parts runs
- Taking replacement equipment to the crew / tech
- Delivering or picking up materials

Dealing with Non-productive Costs

1. Sit down with the Non-productive Brain Dump worksheet. If your company is large enough, consider involving your operations manager, top field personnel, and / or other relevant individuals to brainstorm with you.
2. Write out every non-productive (non-billable) task you can think of that your field teams perform.
3. Go out into the field with your teams. Observe them ALL DAY. Be watchful for every small thing your crew members and techs do.
4. Stand in the yard in the morning and evening, and observe.
5. Repeat #3 and #4 as much as necessary, to catch every miscellaneous task.
6. If you notice any small, easy-to-fix Non-productive Costs, implement those operational changes quickly. This will start saving you time immediately.
7. Order your list of Non-productive Costs by biggest offender. You want at least 3-5 tasks on this list.
8. Have your crews and techs start tracking time for each these 3-5 Non-productive tasks in Service Autopilot or on paper.
9. Based on the results of tracking time, focus on the top offender first.

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10. Brainstorm unique ideas to minimize time spent on this top Non-productive Cost. Start with BIG, NEW ideas – even if they are silly. You are looking for transformation ideas. Completely new ways to eliminate or reduce this expense.
11. After working through your biggest Non-productive cost offender move on to the next biggest expense.