



# Certified Service Manager (CSM) Competencies

*The following is a listing of competencies valuable to those serving as managers, owners or department heads of service type businesses such as electronics, computer, communications and appliance repair facilities. The listing can be used as a guide to establishing service management courses in public and private educational institutions. It can be used as an objectives itemization for textbook preparation and also to construct the certification examinations for professional service managers provided by ETA<sup>®</sup> International and PSA<sup>®</sup> associations.*

## **1.0 Manager Responsibilities and Objectives**

- 1.1 Describe qualifications of a service manager that are different than those of a service technician, sales or marketing worker in a service firm
- 1.2 List five Personnel Management skills required of a shop service manager
- 1.3 List traits the manager needs in order to deal with personal problems of employees
- 1.4 Explain the function and benefits of the Company Policies handbook
- 1.5 Compare interdepartmental cooperation in a company with departmental friction
- 1.6 Describe good public relations skills and their value for a service business
- 1.7 Explain financial management instruments and analysis skills required of the service manager
- 1.8 Present an example of excellent resource usage in a service department and another example of poor usage

## **2.0 Staff Integrity, Morals, Ethics**

- 2.1 Name a company that appears to have a high integrity perception by the public and explain how this is a benefit
- 2.2 Present examples of good and bad manager ethics as they apply to customers and to company employees
- 2.3 Present example of good and bad employee ethics and the benefits and harm of each

## **3.0 Personality Types – Worker Positioning**

- 3.1 Explain the importance of good labor relations as it pertains to profits
- 3.2 List commonly perceived personality types and describe major traits of each
- 3.3 List legal hiring practices that have been shown to avoid pitfalls when seeking new employees
- 3.4 Describe how motivation techniques that work with one employee may not with another

## **4.0 Personnel Profiles and Job Descriptions**

- 4.1 Describe the benefits to management and employees of written job descriptions & responsibilities
- 4.2 Compare giving a new employee an orientation program with having none
- 4.3 Explain the benefits of having a company policy manual, posting policies and providing new employees with the purposes of each

## **5.0 Team Building – Goal Setting**

- 5.1 Explain the benefits of work area responsibilities for individual workers
- 5.2 Explain the motivational benefits of worker profit sharing – ownership plans
- 5.3 Explain how delegation of duties improves efficiency in the workplace

- 5.4 Describe how worker cooperation and involvement in decisions can improve morale and lead to less wasted time
- 5.5 Explain how involving employees and management in the implementation of action and efficiency plans can be beneficial to both management and workers
- 5.6 Describe how think tanks work and give an example of a positive result of a think tank session
- 5.7 List benefits of establishing and revisiting goals & expectations for both the company and individual employees

## **6.0 Employee Motivation**

- 6.1 Construct lists of goals and expectations employees on entry, journeyman and team leader levels might be expected to align with
- 6.2 Explain how coaching employees pays off in loyalty and work ethic
- 6.3 List some reasons counseling of employees is beneficial to morale
- 6.4 Explain why measurement and feedback from workers is necessary

## **7.0 Training – Company Meetings**

- 7.1 Compare the probable results of a company with no training planning with one that has planning and a schedule for worker technical or business advancement
- 7.2 Explain how worker participation in planning and in training is beneficial
- 7.3 List items which progress reports can uncover that can lead to improvements
- 7.4 Explain why staff training is needed
- 7.5 List ways technicians can receive training on new products and techniques
- 7.6 Explain how product, accessories, and service sales can be increased if workers are motivated by management to support each of these areas

## **8.0 Hiring – Employment Laws**

- 8.1 Explain the purposes of equal employment and anti-discrimination laws
- 8.2 List job solicitation practices that must be followed
- 8.3 Explain trial periods and the reasons for having them
- 8.4 Explain how government and commercial employment agencies work and how a company may benefit from either

## **9.0 Employee Compensation Systems**

- 9.1 Explain why hourly employee pay is preferred in some businesses over other forms of compensation
- 9.2 Describe the benefits of commission based compensation
- 9.3 Explain how profit sharing can be beneficial to a company
- 9.4 Explain the motivational aspects of stock options

## **10.0 Customer Relations Policies and Skills**

- 10.1 Define interpersonal relationships and describe some between management and customers and between employees and customers
- 10.2 List customer sensitivities that employees should be aware of
- 10.3 Describe how customer emotions can be beneficial or detrimental to a company
- 10.4 Explain how customer criticism can be beneficial to the company
- 10.5 Explain how company employees should be alert to customer personal problems
- 10.6 List negative personal hygiene habits that are detrimental to the company
- 10.7 List negative dress code examples and positive alternatives
- 10.8 Explain how company pride by the employees can be beneficial
- 10.9 List ways to show respect for customer time, property and values

- 10.10 List reasons a dispute resolution policy statement is beneficial to a company
- 10.11 Describe both bad and good dispute reduction policies a company may have
- 10.12 Compare an ineffective, versus constructive solution to a customer problem
- 10.13 Present examples of telephone image building and tarnishing
- 10.14 Explain how automated telephone answering systems can be negative customer relations tools or how they can be efficiency generators
- 10.15 Describe how technician availability and communications with customers can build loyalty
- 10.16 List examples of customers abusing employees
- 10.17 List the benefits of a written company policy and its implementation

### **11.0 Service Policies and Procedures**

- 11.1 Describe the importance of payment verification and that all necessary warranty information, etc. is documented by workers
- 11.2 Explain why out of warranty estimate policies must be written and clear
- 11.3 Explain the pros and cons of technician /customer contact and why a written policy is valuable
- 11.4 Explain how policies for escalation repair or problem prevention can be profitable for both customers and the company

### **12.0 Service / Production Area Development**

- 12.1 List ways parts departments can impede efficiency
- 12.2 List ways employees can have easy access to service information (paper and electronic)
- 12.3 Explain how the service manager can improve access to technical assistance (internal, phone, fax, internet)
- 12.4 Compare a service business with no repair-fix database with one that utilizes its own and outside sources
- 12.5 Explain how the layout of a service business that seeks efficient flow of work and efficiency can improve repair department profit and morale

### **13.0 Test Equipment Needs and Procurement**

- 13.1 Explain cost vs. return on investment of test equipment, service vehicles, tools and facilities
- 13.2 Compare sourcing of equipment – new or used
- 13.3 Explain how quality/complexity vs. price should be rationalized

### **14.0 Financial Management**

- 14.1 List competitive factors most service businesses face
- 14.2 Explain the philosophy of low versus high pricing of services compared with competition
- 14.3 List factors that may affect decisions regarding price vs. profitability
- 14.4 Explain the psychological benefits of using printed pricing guides & systems
- 14.5 Explain the importance of customer invoices and billing protocol
- 14.6 Explain the difference between the Profit & Loss statement and Balance sheet
- 14.7 Explain the function and major segments of the business Balance sheet
- 14.8 Explain how a Cash Flow statement can be a worthy management tool
- 14.9 Compare accrual and cash accounting systems and list benefits
- 14.10 List important business ratios and show how they can be used to avoid financial problems (burden, costs, profit, ROI)
- 14.11 Describe the taxes that service businesses commonly are subject to
- 14.12 Describe return on investment and how it differs from business profit

- 14.13 Calculate productivity for individual employees and a service department as a whole
- 14.14 Describe a logical method of pricing labor
- 14.15 Explain the pricing of parts showing how delivery and inventory costs apply
- 14.16 Present an example of cost effectiveness as it applies to servicing of products that may be valued too low or the cost of repair may be impractical
- 14.17 Explain the positive and negative aspects of servicing incentive programs
- 14.18 List ways computerization can improve efficiency of a service operation
- 14.19 Explain how proper placement of technicians can improve efficiency
- 14.20 List a sequence for managing “tough dog” repair problems
- 14.21 Describe scheduling inefficiencies and possible ways to avoid them
- 14.22 List ways some companies have dealt with chronic injury – sickness prone employees
- 14.23 Describe ways the staff can support the technical service department
- 14.24 List ways service companies can avoid bad credit practices
- 14.25 List the process of recovering or writing off bad debts
- 14.26 Explain methods of documenting employee expenses

### **15.0 Parts Department Management**

- 15.1 Explain factors that may affect pricing of major components and parts
- 15.2 List benefits of maintaining a running parts costs/income ratio
- 15.3 Explain the difficulties and potential problems in stocking repair parts
- 15.4 Explain the term shrinkage and methods of reducing it
- 15.5 Describe vehicle inventories and inventory management by workers
- 15.6 Explain the philosophy of larger small parts margins
- 15.7 Explain how the valuation of parts and supplies changes with time

### **16.0 Warranties and Risk of Liability**

- 16.1 Explain how calculating warranty service profit or loss should be separated from demand service
- 16.2 Explain how choosing profitable warranty work and denying unprofitable warranty work is an important part of service management
- 16.3 Show how non-updating of warranty repair payment schedules can be a major profitability item in a service department
- 16.4 Describe the science of handling warranty parts in order to avoid or reduce warranty service losses
- 16.5 Explain why periodic analyzes of warranty contracts is a major service department function
- 16.6 Describe how offering service contracts to customers can be a profitable segment of the service department

### **17.0 Contract Negotiation**

- 17.1 Explain liability limitations and protection
- 17.2 Explain how parts handling allowances are commonly included in contracts
- 17.3 Describe contract cancellation policies and how they affect the service department
- 17.4 Explain the philosophy of seeking long term profits from warranty work.

### **18.0 Vehicle Procurement and Maintenance**

- 18.1 List common problems with service vehicle inventory management
- 18.2 Explain special care needed for tools & test equipment in vehicles
- 18.3 Compare benefits and problems with personal use policies for company vehicles
- 18.4 Explain some methods used to improve shelves, racks, tool boxes and security

- 18.5 Explain the efficiencies and cost effectiveness of communications equipment
- 18.6 Present a case where renting is preferable to leasing service vehicles
- 18.7 Calculate test equipment vs. cost valuation factoring in technician time
- 18.8 Describe maintenance & security issues of service vehicles
- 18.9 Explain usage instruction for vehicle operators and users
- 18.10 Describe why training in the use of service vehicles is appropriate
- 18.11 Explain insurance requirements including liability and vehicle contents

## **19.0 Advertising and Marketing**

- 19.1 Define advertising
- 19.2 Explain the difference between advertising and marketing
- 19.3 Explain how the service dept. should be involved in advertising and marketing
- 19.4 Compare good service department signage – visibility with poor examples
- 19.5 Explain service advertising methods and advantages of each
- 19.6 Describe how the service department can assist in marketing
- 19.7 Compare poor versus good business identification methods
- 19.8 Explain the importance of professional letterhead, business cards and job tickets
- 19.9 Explain the importance of professional invoices & estimate sheets forms
- 19.10 Explain the value of company policy or product sheets for customers

## **20.0 Licensing and Certifications**

- 20.1 Name benefits of business certifications – CSC, BBB, etc.
- 20.2 List benefits of staff personnel certifications – CSS, CSM, etc.
- 20.3 Explain the value of technician certifications – CET, CSM, etc.
- 20.4 List local, state or federal licenses service businesses may need

## **21.0 Association Memberships / Involvement**

- 21.1 List some of the benefits of business association membership
- 21.2 List some of the benefits of technical association membership
- 21.3 Describe how associations provide technical help
- 21.4 Describe how associations provide business help
- 21.5 List benefits of participation at seminars & tradeshow
- 21.6 Explain how employees can learn leadership training by participating in organizations
- 21.7 Explain the value of association-provided industry statistics & averages
- 21.8 Describe some of the benefits of peer networking

## **22.0 Legal Responsibilities**

- 22.1 List liability potentials for service businesses
- 22.2 Describe how legal counsel may be required
- 22.3 List government requirements for service businesses
- 22.4 Explain how industry rules often are required for service businesses
- 22.5 Explain the term Contract Labor and show how it should be and should not be utilized in a service business
- 22.6 Describe how small claims court is often used by service businesses

## **23.0 Quality Systems**

- 23.1 Describe the CSC (Certified Service Center) program and how it is beneficial to an individual shop and to the profession as a whole
- 23.2 Explain the purpose of ISO 9001 and its value to a service business
- 23.3 Explain the purpose of ISO 14001 and its value to a service business

- 23.4 Describe self-defined systems for constant improvement and the philosophy of utilization

## 24.0 Security – Building / Inventory

- 24.1 Explain common liability hazards a service business may face  
 24.2 List possible casualty hazards businesses face  
 24.3 Explain special potential hazards service vehicles have with customer goods  
 24.4 Explain legal needs for contract labor employees & insurance for them  
 24.5 Explain the purpose of Workman's Compensation & Unemployment Insurance and describe the costs to a service business  
 24.6 List internal theft potential and ways to reduce it  
 24.7 Explain security systems / cameras / recorders and how businesses use them

## 25.0 Safety / OSHA

- 25.1 Describe OSHA (Occupational Safety and Health Agency) and record keeping / compliance procedures service businesses must abide by  
 25.2 Compare good and bad shop environmental practices  
 25.3 Describe service site practices pertaining to safety  
 25.4 Explain vehicle hazards service technicians may face  
 25.5 Describe criminal hazards a business or technician on-the-job may face  
 25.6 List government regulations that may be special to service businesses

## 26.0 Project Management

- 26.1 Explain the purpose in clearly defining the project  
 26.2 Explain why specific delegation of leadership is important  
 26.3 Describe how staffing needs for a project may be determined  
 26.4 Describe why orientation of the team is important  
 26.5 Compare a project where measuring progress and results is ongoing with a project that has neither of these  
 26.6 Explain how roadblocks to completion of the project might be overcome

### (End of Certified Service Manager Competencies)

#### **Find An ETA Test Site:**

<http://www.eta-i.org/testing.html>

#### **Suggested Study Material:**

**Business Management Skills Workbook;** Mike Holt; ISBN 978-1932685251; Mike Holt Publishing; 2007; pp.243; \$50. Available: ETA at 800-288-3824 or [www.eta-i.org](http://www.eta-i.org) or [www.mikeholt.com](http://www.mikeholt.com)  
**The Customer Service Specialist Study Guide, 4E;** ETA members and staff; ISBN 1-891749-048; ETA® International; 2008; pp.204; \$30. Available: ETA at 800-288-3824 or [www.eta-i.org](http://www.eta-i.org)

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