

Comparing on-site support to a depot center for POS, barcode, and IT hardware repairs.

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Introduction

The point of sale (POS) hardware at your organization has a critical role in its overall performance. The initial investment is huge, so the hardware needs to be managed in such a way that it provides a steady return over many years. One way this can be done is with effective maintenance and support once initial warranties expire. Many options exist to do this, so this paper highlights what you can expect from two of these – the on-site support option and advance exchange inventory management from a depot.

Definitions

On-site support is the service provided by a third-party vendor, who will dispatch a technician to any of your locations so that they can carry out repair work on the hardware there and then.

Advance exchange inventory management from a depot is when the vendor stores all of your POS and related hardware off-site and will then ship it to a location when they are notified that a device has become faulty. The item in need of repair will be returned to the depot, where it is repaired and stored as a replacement for similar use in the future.

Who is this paper for?

Those responsible for the upkeep and maintenance of payment terminals, monitors, barcode scanners, and related POS technology at a multi-site retailer will find this relevant. You will either be in the process of considering what support option would suit, or reviewing the performance of incumbent on-site support and looking at comparable alternatives to their service. As a professional in the industry, you may have compiled your own research, so at the very least these comparisons can act as a final check.

This paper provides comparison tables to highlight the positives and negatives of each approach when three key areas are examined – turnaround time, cost, and service.

Turnaround time

On-site support

PROs	CONs
<ul style="list-style-type: none">• There is minimal downtime for critical store equipment if a service level agreement is in place.• Get a fast on-site response within 4-24 hours of a hardware failure.	<ul style="list-style-type: none">• Service calls need monitoring to make sure that repairs are completed in one visit – will the engineer have the spare parts in their vehicle, is there a replacement if the faulty hardware needs taking off site, etc?• The quality of service from the technician will have a bearing on the first time success of any service call – do they have the experience? Are they familiar with a vast range of hardware that may be found in a store?• Will a technician carrying out maintenance work in a store cause disruption? Will they be ‘getting in the way’?

Turnaround time

Depot repair

PROs		CONs
<ul style="list-style-type: none">• Retailers can rapidly replace faulty hardware within 24 hours should they hold spare inventory or operate advance exchange support from their depot repair center.• Holding spare inventory or operating advance exchange means the depot can carry out the repair without deadlines and thus avoid charging premium prices.		<ul style="list-style-type: none">• Spare inventory needs purchasing at the outset and stored at a retailer's HQ, if they do not use the depot repair center for inventory management.• You will have to confirm at the outset that the depot has the skilled technicians to carry out the required repair work, and the resources to manage and report on your inventory.

Cost

On-site support

PROs	CONs
<ul style="list-style-type: none">• Costs are set at the beginning of a contract.• Support can be incorporated into the yearly IT budget and provide peace of mind that all repair work is covered.• It can be reassuring to a retailer with large store numbers that they have a service provider who has a recognized brand in the industry that mirrors their stature.	<ul style="list-style-type: none">• Normally the most expensive option for support – the number of providers that can offer complete nationwide support is quite small, so with minimal competition, premium prices can be charged.• On-site support often comes with a lengthy 1-5 year contract, which can be difficult and expensive to leave if service levels reduce or the quality of the repair work deteriorates.

Cost

Depot repair

PROs	CONs
<ul style="list-style-type: none">• There are plenty of pricing models to choose from – the ‘fixed-fee’ option usually proving the most cost effective.• Fixed-fee prices will range from \$70-\$100 for some barcode, monitors, and POS repairs to a few hundred dollars for a premium label printer repair.• Without a restrictive contract, you can easily move vendors if repair quality deteriorates or pricing becomes uncompetitive.• Different hardware could be sent to different repair depots depending on their specialism, thus limiting disruption that could occur if one sole vendor is used and something untoward happens to their business.• If all repair requirements are sent to one vendor, you may be able to negotiate discount depending on quantity.	<ul style="list-style-type: none">• Spare hardware may need purchasing at the outset so that the depot can hold it as a buffer stock to support an advance exchange arrangement.• Resources may be needed in order to monitor the performance and costs if hardware repairs are shared amongst more than one depot.• Assigning budget for repair work may be a manual task with the help of the repair vendor to estimate the likelihood of repairs for a given period and the corresponding costs.

Cost

Depot repair (Cont.)

PROs		CONs
<ul style="list-style-type: none">• Reputable vendors will include a lengthy (up to six months) warranty, both on the initial repair and the complete unit.• Depots are often geared to handle storage and advance exchange on behalf of retailers, so replacement hardware can be sent to a store within one or two working days. Apart from the repair and transport costs, depots will likely waive charges or bill only a minimal amount to carry out this service, as they include it as part of the 'added value' of their approach to aid customer retention.		

Service

On-site support

PROs	CONs
<ul style="list-style-type: none">• Large high-profile on-site service providers are regularly accessible 24-7 via call centers.• Often an individual member of staff is assigned as an account manager to be a point of contact.• It can be reassuring to know that a repair technician will be deployed within the timeframe of your service level agreement.	<ul style="list-style-type: none">• Large organizations can 'lose' you between call center departments when problems are transferred to others, with no one taking ownership.• Staff retention can vary at large organizations, so your point of contact may frequently change, leaving you with someone who may know little about your operation or industry.• You may be perceived as a customer that is just 'one of many' by a large company, rather than having a tailored service that suggests you are a priority to them.• You are actually paying for the service delivered by the repair technician on-site. Is this carried out correctly and as promised to the standards expected?

Service

Depot repair

PROs		CONs
<ul style="list-style-type: none">• Customer service is accessible and you can easily reach employees directly.• Usually service fewer clients and focus on retaining them through good service.• Will look to add value to the relationship – for example, by carrying out inventory management, reporting on repair frequency to suggest that new hardware may be needed, etc.• Many will happily share case studies and report on the findings of customer surveys in order to highlight their credibility.		<ul style="list-style-type: none">• The reliability of a depot repair center may need to be determined at the outset to offer peace of mind that it is established and in a position to provide a long-term service.• A contingency plan may be needed in the event of disruption to the depot's output.• On-site staff need to have the skills to replace the faulty hardware when a replacement arrives. This may warrant the help of staff on a support desk, i.e. more resources.

Conclusion

The main objective of your POS and store systems is continued efficient performance at a manageable cost. If this is affected because a crucial piece of hardware fails then it needs resolving in the shortest time possible. This may dictate that on-site support to a strict service level agreement is your only option. If this is the case, hopefully your skills and experience, along with the pointers in this paper, will provide the awareness of what needs to be done to ensure the highest level of return from this support.

The advance exchange option by a depot repair center does provide a viable alternative if the approach can be tailored to meet your requirements. If they are able to dispatch hardware so that it is received at one of your locations within a satisfactory time, and your colleagues there are able to swap over equipment with minimal support, then you could receive a stable long-term service that provides excellent value for money.

As with every business decision, thorough research is required. Be confident in your decision once vendors have demonstrated how they have helped others with a similar profile and are transparent in the standard of service they will provide, and the associated costs.

About

Mercom has been supplying POS and store system hardware repair services to many leading retailers since 1994. They have retained Mercom for the bulk of this time thanks to the value provided by its depot model. When added to Mercom's repair quality, subsequent warranty, and overall personal service, retailers have a valuable resource to utilize.

Tony Alcock founded the company's American venture and heads its operations. His industry expertise makes him an ideal choice to consult when discussing repair options and what would complement a retailer's particular set-up. He can be reached directly by telephone on +1 281-201-1834 or by email tony.alcock@mercomrepair.com

