

Reliable Image Pricing System
283 Talbot Street
St. Thomas, Ontario
N5P 1B3

Wednesday, July 24, 2002

Gerald;

Re: Flat Rate Pricing

Wardlaw Fuels implemented your system in January of 2001 very concerned that no one in our area would pay this much for our services. After we implemented the system, we expected complaints to flood the phones lines with price objections. To our surprise, we had fewer complaints than we would have had with our Time and Material method of pricing.

Our service division's gross profit grew by 10-15% immediately. However, after one year we were still not hitting the profits that we needed to offset the tremendous expenses of running a service department. After some discussion we elected to renew our flat rate books at a higher labor rate. The new rate books have been in effect for 7 months now with our gross profit climbing another 10% and we are finally enjoying a bottom line from our service division. I can have all 5 of our service technicians and our dispatcher quote a repair and all give the same price. Try that with time and material!

The Flat Rate Pricing has also helped change our attitude toward pricing and we are using this philosophy in our installations department where we are now pricing higher and getting better closing ratios. This is all being done in a generally depressed economy.

I would and have highly recommended your Flat Rate System to anyone seeking to make a change that will make them both professional and profitable. I only wish I had taken this step years ago.

Yours in better business,



Greg Wardlaw
General Manager,
Wardlaw Fuels (Algoma) Inc.