

**FULLBAY**®

# **IN - HOUSE OR OUTSOURCED:**

**YOUR GUIDE TO MAINTENANCE OPTIONS**





## **PART 1** **SHOULD I** **STAY OR** **SHOULD** **I GO?**

**T**here are many unanswered questions floating around the universe. Fast zombies or shambling ones? Dogs or cats? In-house or outsourced maintenance?

Wait. One of those things is not like the others.

While we'd love to pick apart the zombie question, we are in fact a diesel repair shop software company, and so we must leave the undead cannibals to themselves and instead address the maintenance issue. In this section, we're going to look at the benefits and drawbacks associated with a big fleet doing their own maintenance work themselves vs. handing it off to other repair shops. Then we'll take a look at the opposing viewpoint—keeping things in-house.

If you're a fleet manager at a company contemplating this very decision, or a repair shop owner who *realllllly* wants to get your hands on a fantastic fleet, well, we think you'll find plenty to like in this ebook.

For now, let's sort out exactly what we mean by in-house vs. outsourcing, and what to look for when you're contemplating the latter.

### **WHY WOULDN'T YOU KEEP YOUR REPAIRS IN-HOUSE?**

*But Fullbay, you may be saying, if I'm a big operation, why shouldn't I bring my repairs in-house? That way I can make sure everything is getting done right!*

Oh, my sweet summer child.

You're not *wrong*. And we are not, despite what we're about to say, against in-house maintenance and repair work at all. But like any solution, it presents some troubles of its own.

To get a better idea of what the in-house world looks like, we turned to Fullbay's COO, Chris O'Brien. In a previous life, he was a fleet manager at Shamrock Foods, which had approximately a gazillion trucks (okay, maybe it just felt like a gazillion) and kept its repairs in-house. Through his work in the industry and with Fullbay,

he's also seen what outsourcing can look like.

There are hundreds of things a fleet operator needs to consider before bringing their repairs and maintenance in-house, but here are two of the biggest:

- **Do you have the ability to absorb the liability?**
- **Can you lure techs away from other jobs?**

Let's talk liability first, because everyone loves a good legal risk, right?

"The reality is, when you start taking on maintenance in-house, you take on *huge* risk for your company," Chris says.

If your business is, say, shipping boxes, and you want to bring your repairs in-house, you are suddenly in the business of repairing vehicles. You've taken on the liability associated with transportation. The repairs you make to your vehicles better be good and inspections done properly. If something goes wrong while a truck is on the road, *you're* on the hook.

So, extra liability is a huge and immediate problem for most companies considering taking their repairs in-house.

Next problem: hiring.

The [tech shortage continues](#). What makes you think you'll be able to attract and keep top-notch technicians? If you're just starting your in-house operation up, then everything about it is new. You've got no background as a good employer of technicians.

If you're running a large corporation with a ton of infrastructure, Chris allows, you may be able to provide better [wages and benefits](#) than the mom-and-pop repair shop down the road. Techs may also be drawn to a standardized fleet, which can lead to more streamlined work. "If you've got a bunch of Freightliners, for example...when you start seeing the same exact stuff, the repairs get easier. The repairs get predictable."

(You *want* predictable repairs!)

Are you uneasy about bringing all your liability in-house with your fleet? Is the idea of hiring excellent technicians from a shrinking pool making your knees knock?

What if you *already* have your repair work in-house, but you kind of want to look at outsourcing it to a repair shop?

We cover that, too. Read on.



## SHOULD YOU LOOK AT OUTSOURCING YOUR REPAIRS?

There are some additional advantages to outsourcing your repairs.

We already talked about the liability issues associated with bringing or keeping your repairs in-house. The inverse, of course, is allowing someone else to assume that liability. Partnering with a repair shop and getting the right contracts in order leaves *them* on the hook if something goes wrong—not you.

Another substantial benefit to outsourcing is the often steep reduction in costs and infrastructure. If we follow the equation presented by Chase

Bowman of AM PM Diesel ([as seen in this webinar](#)), you need one technician for every 23 pieces of equipment. Let's say you've got a fleet of 500 trucks. That works out to 21.7 techs...and since we're not about chopping people in half, we'll round up to 22.

Those techs need bays to work in (which probably equates to more cheddar spent on land and buildings for you). They need wages, benefits, PTO, training, all *that* important stuff. If you're part of a huge company, you may well have the dough, but what about building out the infrastructure? That'll take time and expertise you don't necessarily have.

That's not to say that every single independent repair shop out there has 20 techs waiting to take on your fleet. But they do know the industry, and they'll be able to scale up to meet your demands—basically taking that load off your shoulders.

But of course, nothing is perfect. Outsourcing does have its issues.

## THE DRAWBACKS OF OUTSOURCING REPAIR WORK

It probably sounds like we're on the outsourcing bandwagon, doesn't it?

There is a lot to like about that model—but there are some disadvantages that come along with it, too.

Primary among them is communication.

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## If you've got an in-house repair shop, figuring out what's going on is pretty easy:

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You walk downstairs, tap someone on the shoulder, and go, "Hey bro, slow or fast zombies?"

*(Editor's Note: Suz, I swear...)*

Okay, sorry. You tap someone on the shoulder and go, "Hey, what's the status on that turbo rebuild?"

They either tell you, or it's fairly easy to find out, because it's all going on under your roof.

Compare that to work going on in a repair shop far, far away (or even down the street). You are a customer to them. Ideally, they'll be eager to stay in touch and keep you in the loop, but...well...look, Fullbay's [Customer Portal](#) isn't insanely popular because so many shops were absolute [communication wizards](#) before we arrived on the scene.

If you team up with a shop (or shops) that have questionable communication skills, all that time and energy and money saved by outsourcing might end up being canceled out as you chase down updates day and night.

Outsourcing also requires you to surrender quality control, and that's a scary thought for a lot of fleets. Yes, you're hiring experts to handle your maintenance and repairs. You've got to be able to trust them. Once you hand those vehicles over, well, it's in someone else's hands. If you're outsourcing your work, that's something you need to get comfortable with.



### **ON SECOND THOUGHT, MAYBE I SHOULD KEEP THINGS IN-HOUSE...**

We aren't in the business of telling operators what to do with their fleets. We're just here to provide information (and maybe a chuckle or two) and help you reach a conclusion on your own. Outsourcing your maintenance and repair work is a big decision—and

it's not one you should make without considering the inverse.

So keep reading—we're going to focus on the benefits of keeping your repair work in-house. And yes, there are plenty of benefits!



## PART 2

# TAKING IT IN-HOUSE: A GUIDE TO KEEPING REPAIRS TO YOURSELF.

**B**ut Fullbay, you might be saying, *we thought you were all in on independent shops.*

Hey, we love indies! But we also love a good in-house situation *when it's appropriate.* If your company has the infrastructure, funding, and employees to keep everything under one roof, then that might be the best situation for you.

### **BENEFITS OF KEEPING REPAIRS IN-HOUSE**

What does a good in-house repair situation bring to a company?

Peace of mind tends to be a big one. Yes, you can build trust with a partner repair shop, but even we can admit that there's something comforting about being able to walk into your

own repair bays to see what's up. More than that, you're in charge of *everything*, from scheduling to quality control.

In addition, once you get your operation up and running—which can take some time—maintenance and repairs may end up costing less in the long run. You're going to have to balance this out with the expenses associated with hiring good technicians, of course, so it may be a wash—but still, it's something to think about.

An in-house repair shop can also usually chew through maintenance or repairs faster than an outsourced shop. Why? One, they're wholly dedicated to *your* vehicles—there's no other customers to distract them. And two, you're saving on transportation time. Even if your partner repair shop is three blocks away from your yard, that's still travel time. Add to that any scheduling difficulties and you may be looking at having trucks out of service for longer than you'd like.

## THE BIG KAHUNA: WARRANTY WORK

There is one *big* advantage to a big company taking or keeping things in-house. It's so big, in fact, that we broke it off from the other benefits to give it its own section. Are you ready? Are you *really* ready?

Okay. Brace yourself.

Don't underestimate warranty work.

The reality behind new equipment usually looks something like this: Stuff comes with a warranty, but that warranty is *only* going to apply if the manufacturer's people are the ones working on it. Which often means schlepping your truck or part to a dealership.

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## But lo, there is a way around it!

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“If you have Joe New Guy just work on your truck, you could invalidate your warranty,” Chris explains. “When you’re purchasing trucks, you’re gonna negotiate a deal to get your shop certified to work on that equipment.”

Yep. Money talks. If you’re spending however many millions on new vehicles, you squeeze something into that contract that will get your technicians certified to perform warranty work that covers basic things.

We’ll say it again: money talks. Or maybe more specifically, money gives you some added negotiating power. Not every company is going to have that kind of muscle, but if you’re big enough, well, you can do a lot.

Being able to handle your own warranty work (or at least some of it) is a pretty big deal, too. Because Chris pointed out something verrrrrrrry important to anyone who’s ever worked on a schedule:

Dealerships are often behind.

We repeat, dealerships are often behind.

### **GOING IN-HOUSE CAN REALLY, REALLY SAVE YOU TIME**

For most private fleets, time is of the essence. Alas, even the best-kept vehicles will need maintenance beyond late-night oil changes. When you’re dealing with a newer vehicle and you don’t have warranty-certified techs on hand, that means you’ve got to head to a dealership to get the work done.

But...

At the moment, a lot of dealerships are running behind. Not all. But a lot. “Some are operating six weeks out,” Chris says. “What are you gonna do? Not drive the truck for six weeks?”

So having techs on hand who can perform that work—who are experienced and certified in it—can absolutely protect you from catastrophic downtime.

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## **That’s when you really start seeing the benefits of in-house repairs.**

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If you don’t have certified techs, and have no mechanism to get certified techs to perform that work—well, you’re in some trouble. That’s often when private fleets start looking to

independent repair shops to get things moving.

But again, if you have the capital and infrastructure, handling it on your own can save you weeks. Even months! When you're on a tight schedule, every moment matters.

### HOW CAN A REPAIR SHOP ATTRACT PRIVATE FLEETS?

If you're an independent repair shop owner that's been contemplating going after big fleets, we're about to give you some valuable advice. We can't win the fleets for you, but we can tell you what qualities your shop needs to look attractive to their bottom line.

- **If you're subletting a lot, bring it under your own roof.**

Chris recalls a shop owner who brought in a driveline machine to make their own drivelines. Someone else bought a wrecker. "If you're losing jobs or losing time [on subletting a job]," he suggests, "that's when it's time to take it [under your roof]." The more your shop can do for customers, the better off you are.

- **Become a master communicator.**

"Where's this truck?" "When's this repair going to be done?" "What do you mean they used peanut butter instead of fuel?" When you take on a private fleet, you are suddenly holding its business and reputation in your hands. Uptime is critical for them. You want to make sure they keep up with everything going on, as it's going on. (Yes...Fullbay's [Customer Portal](#) can absolutely make that easier.)

- **Service and quality are key.**

"There's a certain point where it's not about the money, it's about the service and the quality," Chris says. Yes, money absolutely matters, but private fleets want to know they're being taken care of. Your shop will do its part by doing outstanding repair and maintenance work... but you also need to cut back on general hassle. Private fleets don't want a [zillion invoices](#). They don't want to talk to a different person each time they do get in touch with you. That might mean your private fleet has their own contact person (maybe that's even you!)

- **You need an actual presence.**

A fleet manager can't hire you if they can't find you. [Just sayin'](#).

SO...

## IN-HOUSE OR OUTSOURCED? YOU DECIDE!

Ultimately, deciding whether to bring your fleet maintenance under your own roof or hand it off to a repair shop is a choose-your-own-adventure situation. This duology has hopefully given you some things to consider if you're a fleet manager contemplating your next move—or if you're a repair shop owner looking to woo some big business.

As a friendly aside, Fullbay can make life easier for in-house and independent repair shops. Like, way easier. So of course we hope you check us out, maybe [try our free demo](#). And whatever repair option you go with, know that we're rooting for you!



# HEAVY-DUTY REPAIR SHOP MANAGEMENT.

Fullbay is an end-to-end repair shop management software that shows you exactly what's happening in your repair shop while boosting your staff's productivity. A more efficient business means higher profits, better work-life balance, and safer roads for us all.



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IN THE SHOP**



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