

PACKARD MOTOR CAR COMPANY

DETROIT·MICHIGAN

June 5, 1923

TO PACKARD DISTRIBUTERS

REFER TO THIS LETTER BY NUMBER

TO BE NOTED AND INITIALED BY

SUBJECT

PACKARD SERVICE PRINCIPLES

FACTORY RESPONSIBILITY FOR CONDITION OF VEHICLES

1—The Packard Company undertakes to ship an excellent product—the best it knows how to build—and the Distributer buys that product in the state in which it is delivered to him and subject only to the conditions of our standard warranty—and any expense for service work, including installing parts which have been adjudged defective by this company is as much a part of the Distributer's overhead as his light, heat, sales and office expense.

There will be certain cases in which the no charge service work on a certain vehicle will be unusually expensive, and there will be other cases in which practically no service work without charge will be required. The division of responsibility, however, remains the same, the Factory supplying the part, and the Distributer furnishing labor and transportation. The Factory does not expect you to call upon it for help where the labor expense is high any more than they expect a rebate from you covering those cars where the expense runs under the average.

2—The point at which the Factory responsibility ceases with regard to the condition of the vehicle is when it has been loaded in a freight car, or when it leaves the Factory if driven away.

In the case of a drive-away, the representative taking delivery for the Distributer should be instructed to make a thorough inspection before accepting the vehicle, reporting any conditions discovered, otherwise the Factory must assume that the condition developed at a later time.

RECEIPT AND DELIVERY OF VEHICLE BY DISTRIBUTER OR DEALER

1—A competent inspector should thoroughly inspect the vehicle upon arrival; see that it is filled with oil, gasoline and water, given a short test, and then properly washed and polished before being delivered to a customer.

2—All claims for shortages of parts and accessories believed to have been omitted at Factory must be made in writing by Distributer immediately

after unloading the vehicle, otherwise the claim cannot be considered.

This is especially important where vehicles are going into storage, as it is evident that no claims can be considered by the Factory after a storage period.

3—Shortages due to theft or damage enroute should be reported at once by the Distributer or Dealer to the transportation company, and collection made from the transportation company by the Distributer direct.

4—Upon delivery of vehicle to the customer, the operation and care of the vehicle should be thoroughly explained, and the instruction book carefully explained to the owner.

At this time the Distributer's or Dealer's service policy should be outlined in detail, and the owner should be educated as to just what no charge service he can expect. Most disputes could be prevented by a clear understanding between the Distributer or Dealer and the customer at the time of delivery.

5—Upon delivery of the vehicle to the customer, the delivery date must be stamped according to instructions issued by Factory, as policy service is based on this date.

This date is particularly important in the case of tourists, as it enables the Distributer or Dealer handling the vehicle to determine whether or not work should be done on a no charge basis.

NO CHARGE SERVICE AND REPLACEMENT OF PARTS BY DISTRIBUTER

1—For ninety days after the delivery of the vehicle, replacement without charge is to be made of any part or parts adjudged defective by the Factory. Such replacement to the customer by the Distributer or Dealer includes the part, the labor of installation, and transportation of the new part to the Distributer, and the return of the old part for credit to the Factory, the Factory furnishing only the part f. o. b., Detroit.

NOTE—See Paragraph No. 3 under heading of "Method of Handling Repairs by Standard Price System."

This further emphasizes the fact that the servicing of the vehicle is the joint responsibility of the Distributer and of the Factory. The division of responsibility is definite, and there is no reason for any misunderstanding on the part of the Distributer regarding his share of the burden.

2—The Factory's or Distributer's or Dealer's responsibility for damage to a vehicle is limited to the replacement of the part which is adjudged defective by the Factory.

3—Within thirty days of the delivery of a vehicle, or after it has run one thousand miles, a thorough inspection should be made by a competent technical service inspector, and the vehicle gone over to take up any initial wear either in working parts or in adjustments to insure its being in standard operating condition. The car should then be returned to the owner with the understanding that this inspection completes the service adjustment obligation called for in the Service policy. Except for defective parts replaced under the warranty, further service work should be charged for at the Packard standard service charges.

It is during this period that the greatest possibilities for dissatisfaction develop, and an inspection at this time makes it possible to establish contact with the customer during the most critical period of the car's life.

4—In case a part has to be replaced because of normal wear, abuse or neglect, the owner should pay for the part and its installation regardless of the duration of service.

5—When a part is considered defective by the Factory after the expiration of the warranty period, and credit is allowed, the Distributer must replace the part on the same basis as if it had proven defective within the warranty period.

In returning a part to the Factory for credit after the warranty period has passed, the Distributer agrees to assume the transportation expense and labor of installation, providing the Factory gives credit on the material.

DISTRIBUTER'S RELATIONS WITH OTHER DISTRIBUTERS

1—When work is performed upon a vehicle sold by another Distributer, the delivery date of the vehicle should first be ascertained to determine whether such work is within the warranty period.

2—The vehicle of an owner from outside the Distributer's territory shall be given the same service (both charge and gratis) as the vehicle of an owner residing in his territory.

The settlement of cases of this kind is outlined in Technical Letter No. 1742, and the procedure laid down in this letter should be followed explicitly. It is not expected that unnecessary no charge service will be given to a tourist, but it is expected that the Distributer will perform without charge any work which is required to keep the car on the road. When the customer changes his residence within the warranty period, the Distributer into whose territory he moves is entitled to a portion of the discount, as outlined in Trade Letter No. 360.

3—Distributers must not invoice one another for such work, except for Distributers' personal

cars, but absorb such expense on their no charge service account, and should return direct to the Factory any defective parts removed from the car to secure proper credit.

4—Distributers are expected to co-operate with each other, and to ship parts requested by any other Distributer, charging the list price in the shipper's zone less 20%, plus transportation from shipping Distributer.

5—A Dealer's relations with other Dealers and Distributers should be through the Distributer organizations.

REPAIR SHOP

1—A competent service executive should be in charge of the repair division of every Packard Distributer's service organization.

The efficiency of the Distributer's service will be measured largely by the ability of the man in charge. It is, therefore, essential that only a practical executive who is entirely familiar with handling men, as well as with modern repair shop practices, be considered for this responsibility.

2—The repair shop should be of sufficient area to handle properly the repair work for all the vehicles in the territory, and the shop should be adequately supplied with whatever tools are required.

The Factory service department is prepared to advise Distributers the amount of floor space needed, the number of machine tools, hand tools or special tools which they will require, and also where they can be obtained and their cost.

The Factory will gladly dispatch a competent representative to assist in organizing the Service Department or in establishing the Stock Room of any Distributer who cares to take advantage of Factory service experience.

3—Every authorized Packard service station should have at least one of the standard Packard service signs prominently displayed.

The Packard Company feels that, in view of the low cost of their standard signs, it would show very poor business judgment to neglect this important advertising feature.

METHOD OF HANDLING REPAIRS BY STANDARD PRICE SYSTEM

1—In writing repair orders, Packard Standard Specifications should be used, and prices not in excess of the Packard standard prices are advised.

Owing to favorable local conditions, the standard prices may in many cases be reduced, and this should be done whenever possible. Standard prices are based on a labor charge of \$1.50 per hour, and when the shop can operate profitably on a lower labor charge, all prices should be revised downward a corresponding amount.

2—In the case of operations which are not covered in the Standard Specifications, the selling price should be fixed by an estimate at the time the order is written, so that the customer will be advised of the cost of the completed work and will sign the repair order for this predetermined expenditure.

This is of the greatest importance, because of its tremendous value in forestalling complaints on the amount of the bill.

3—Generally, no invoice should be rendered a customer covering free corrective work, even though credit for the defective part or parts has not been received from the Factory.

In most cases it is possible for the Distributer to tell in advance whether such credit will be allowed. In the small percentage of cases where the Distributer is not sure of credit, and where he does invoice the customer, he should qualify the invoice by a notation that credit is subject to the Factory's decision as to the part being defective.

STOCK ROOM AND STOCK

1—The organization and control of the Distributer's or Dealer's stock room should be given the most careful attention.

This should be carried out as outlined in "Packard Standard Service Methods," copies of which will be supplied upon request.

Customers should be charged the list price for the zone in which they are located, as shown in the current price book, without additional charges of any kind.

It is suggested that Dealers be billed at the current list price for the zone in which the Distributer is located, less 20% discount.

2—The Distributer should aid the Dealer in the development of his stock.

It is the duty of the Distributer to build up his Dealers' service organizations to the utmost of his ability, and it is not possible to persuade the Dealer to carry an adequate supply of service stock unless he is given a margin of profit on which to work. It is not anticipated by the Factory that any large profit will be

made on sales to Dealers at the recommended discount, but it is felt that the discount is essential to the proper development of the Dealers' organizations.

3—The amount of service stock carried should be adequate for the needs of the territory.

Distributers and Dealers should carry an adequate supply of stock to properly service the vehicles in their territories. The minimum required by the Factory is approximately \$250.00 worth of stock after three vehicles have been delivered. Such a list will be supplied upon request.

These stock lists have been very carefully developed, and consist of active, quick moving parts which will not be a burden upon the service departments. Larger stock lists will be suggested by the Service Stores Division as conditions warrant.

When insisting that Distributers and Dealers carry an adequate supply of parts to service vehicles in their territory, the Factory points out that the Distributer's and Dealer's success or failure depends very largely upon the impression given by the parts service rendered. The interest on the investment required to carry this adequate stock is very cheap protection for these vehicles. This stock of parts becomes a tremendous help to the selling of new cars.

RETURN OF PARTS FOR CREDIT

1—The basis of credit for the return of parts is the Packard warranty.

For additional information and routine, see "Packard Standard Service Methods."

The Factory will assist Distributers in disposing of inactive stock—if furnished a list of these parts—by ordering them to be returned to the Factory for credit as the depletion of stock warrants this action.

PACKARD DISTRIBUTERS' AND DEALERS' SERVICE POLICY

NEW MOTOR CARRIAGES

Packard service has been organized for the purpose of assisting Packard owners to keep their motor carriages in good repair and adjustment.

Packard service includes the following:

1—We will make all necessary adjustments for one month after delivery of the motor carriage free, provided it is brought to our Service Department for that purpose and has not been tampered with or injured through accident or neglect. After that time all work will be done at our regular charge for such work, except as noted in Clause 2.

2—We will install at our service station without expense to an owner either for parts, labor or transportation, any part that may be replaced as defective by ourselves or by the Packard Motor Car Company under its warranty, form of which is printed below, for a period of ninety days after delivery of the motor carriage to the owner.

3—All gratis work under the Packard warranty is to be done at our service station, and in the

event an owner requests warranty work to be done at a distance from our service station the expenses of the workman for transportation, board and lodging, if any, will be charged to the owner.

4—If, at the time warranty work is being done, we are called upon to do other work which does not come under the warranty, the labor and material required for such work will be charged for at our regular rates.

5—It is understood that inspections and instructions concerning the operation and care of Packard vehicles, though made by our employees, are in fact made on behalf of the owner, and that the inspector or instructor is acting for him. The owner, therefore, waives all claims arising out of any fault or omission in connection therewith.

6—It is our intention to give every purchaser of Packard motor carriages fair and businesslike treatment. Should any patron not receive it, we ask in good faith to be so advised.

PACKARD WARRANTY

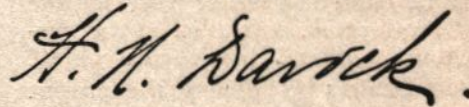
of New Packard Motor Carriages and Trucks

The Packard Motor Car Company has warranted that for a period of ninety days from the date of delivery to the purchaser, it will replace free of charge, any part claimed within that period to be defective and found by the company to be so upon examination, provided such part is returned to the company within that period for credit or replacement. Such free replacement does not include transportation charges to and from the Packard factory, nor the cost of installing the new part. Tires, rims, batteries, speed instruments and other accessories, being subject to warranties of their respective manufacturers, are excepted from the warranty.

The Packard Motor Car Company reserves the right to make changes or improvements at any time, without thereby incurring any obligations either to install the same on motor cars previously sold or to install the old part, which has been changed, improved or omitted, in new cars subsequently sold.

Yours very truly,

PACKARD MOTOR CAR COMPANY.

A handwritten signature in dark ink, reading "H. N. Davock". The signature is written in a cursive style with a large, stylized "H" and "D".

H. N. Davock,
Manager Technical Service Department.