



The Publisher's Column



Hello good friend, and welcome to our Motorvation Newsletter and to your new 2012 Price Guide. Surprisingly the response to our annual pricing survey portrayed a good profit picture this year with 41% of shops reporting 5-10% profits, 35% reporting profit over 10%, and only 23% reporting profits under 5%. Update your Price Guide now with our new pages so your prices and profits will reflect the latest National Averages.

New Motor Price Changes

While evaluating the survey response this year we noticed a wide range of pricing for AC random-wound motors. We talked to a few subscribers about this and found "foreign" made motors are being more widely accepted by end users and sold by many of our subscribers. To eliminate confusion regarding which type of new motor price we are displaying we have decided to display new motor prices for US manufactured motors. We also evaluated the recent EISA changes and have changed our new motor descriptions to line up with changes in the industry. Our price pages will now show pricing for "Premium Efficient" and "Energy Efficient" new motors. See the article on page 2 for all the details.

Ownership Of Scrap Copper

While at the convention I talked to some subscribers who noted they are running into issues with end users regarding ownership of scrap materials. We have always assumed that scrap copper becomes the property of the shop and our prices are based on that assumption. To eliminate any further confusion we have added the following note to page G1-6: *Please note all scrap material including copper wire, becomes the property of the electric motor service shop.*

Check out the article to the right to see all of the changes we have made in the 2012 Guide. As you are reading this we will be evaluating changes for the 2013 Guide. Let us know what we can add in the future to make your job easier. Simply fill out and return the Feedback Form on the back of this newsletter or give us a call anytime at 800-828-4436.

And during the year don't forget about using our FREE Hotline Assistance Service. If you have a question concerning any of Vaughen's products, or just need help pricing a job give me a ring at 800-828-4436, or email me at donl@vaughens.com.

Thank you for your business. We wish you a happy, healthy and prosperous New Year.

Donald M. Lammers
Donald M. Lammers
Publisher

Vaughen's 2012 Price Guide Improvements

We have made a number of changes to the AC random-wound pages. Extra prices have been expanded to include frame 584/8 on each page. The AC random-wound motor price type description "U/Hi/Met" has been changed to "U/Prem/Met" to reflect changes occurring in the industry in response to the EISA act. We have also changed the new motor descriptions to "Premium Efficient" and "Energy Efficient". See the article on page 2 regarding these changes.



Your
New
2012
Edition
is Here

Pump Section Updated and Expanded

The entire Pump section has been updated and expanded this year and is included in this release. See the article on page 2 regarding the changes included in this new edition of the Pump Repair Guide. Be sure to check out the new one-page Submersible Price List with prices to repair submersible pumps, and the expanded pricing to 250 HP.

Mileage Charges and Change in Employee Pay

This year we have updated the information on mileage charges for field work done at the customer's site, pickup and delivery charges, and shop supply charges. Plus, new information is included on charges for 9-lead dual voltage motors. This information can be found on page G1-15 of the General Information Section. On page G1-21 you will find updated information on employee utilization percentage, percentage of jobs repaired under warranty, and new information regarding percentage change in employee pay. If it has been a while since you read the entire General Information section take a few minutes and review all of the valuable information included in this section.

As you can see, your new 2012 Guide is loaded with new information. Please insert these pages into your binder right away so you can start reaping the benefits of our newly updated pricing from our latest survey. Also enclosed is your 2012 Pocket Pricing Pal. See the article on page 2 regarding changes to the Pal. Additional Pocket Pricing Pals are available for just \$10 each while supplies last.

2012 Survey Results — All Prices Are Updated!

This year 165 shops replied to our Annual Pricing Survey. Thanks to all of our subscribers who took the time to complete the survey!

Here are the results of our survey:

- AC random-wound rewinds are up 5.5%
- AC form-wound prices are up 4.7%
- DC rewinds are up 4.0%
- Extras prices are up 3.7%
- Hourly billing rates are up .8% to 2.1%.
- AC random-wound new motor markup is up 4.9%
- New motor prices have been updated.
- Pump information has been updated

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New Motor Changes for 2012

We have made changes to the headings we use to specify the new motor prices displayed on the AC random-wound pages. These changes were made in response to the Energy Independence and Security Act "EISA" that went into effect in December of 2010. This law expands the mandated energy efficiency standards from the Energy Policy Act of 1992 (EPAct) to include a wider range of industrial motors manufactured for sale in the United States.

Premium and Energy Efficient

Vaughen's 2012 Guide now contains AC random-wound new motor prices for Premium Efficient and Energy Efficient motors. You will notice we only display Premium Efficient new motor prices for most ODP, TEFC, and Explosion Proof, 3600-900 RPM motors covered by the new law. For higher HP motors where we do not have a Premium Efficient price we have filled in an Energy Efficient "ball park" price. We will be continually monitoring the new motor market and make additional changes as necessary.

U/Prem/Met Heading

Also, the heading for the second line of rewind pricing on the random-wound pages has been changed to U/Prem/Met. This line of pricing should be used for U Frames, Premium Efficient, Metric Frames, IEEE 841 Severe Duty, Inverter Duty, etc, or anytime the market will bear the higher price. Using your knowledge of your local market and Vaughen's National Average prices you can quote with confidence every time.

Pocket Pricing Pal Changes

Our Pocket Pricing Pal has also been updated for 2012. We have removed the standard efficiency new motor price and added the Replacement Percentage, which is the Rewind plus Bearing Price percentage of the New Premium Efficient Motor User Price. This valuable information will make repair vs. replacement decisions easier for you and your customers. If you have any questions or comments regarding these changes please give us a call.

Pumps Updated and Expanded for 2012

This year we focused on updating and expanding our Pump Repair Guide. We started the process by evaluating all of the suggestions we have received regarding pumps from subscribers over the years. We then worked with several subscribers that are very knowledgeable in pump repairs to see how we could best use your suggestions to improve the Pump Repair Guide. We also included questions on the 2012 Survey regarding the changes we would be making.

One-Page Submersible Pump Condensed Price Guide

One request we have heard numerous times over the years from subscribers is "Can you provide actual prices for pump repairs in addition to the hours you publish?" We had looked into providing actual prices for pump repairs many times but could not seem to come up with all of the pieces of the puzzle. However, this year we are happy to announce we now have a new "Submersible Pump Condensed Price Guide" with actual prices for the repair of submersible pumps. This new pricing can be found on page PR1-2 and on Vaughens.com under the Pump Pricing tab. On Vaughens.com you can customize the percentage used to calculate the motor prices and customize the billing rate used to calculate the pump prices. We are sure you will agree this new price list makes pricing pumps quick and easy just like motors.

Pump Repair Hours and Machined Parts Updated

We have also updated all of the pump repair hours according to the survey response. Hours have increased for all pump types anywhere from 1.6% to 3.4%. Additional adjustments were made to the hours for "Remove and Reinstall Stator", "Replace Power Cable & Repot", and "Balance Impeller and Rotor" based on discussions with subscribers. We have also added hours for pumps from 151-250 HP. Plus, checkboxes have been added to the pump repair procedure pages to make them more useful. Please feel free to copy these pages and use them as a checklist when performing pump repairs.

Machined parts pricing pages have also been updated according to survey response. The machined parts hours have increased about 2.6%. However, the markup and billing rate are down slightly from the last time we updated the machined parts pages in 2009. The 2012 machined parts pages use an average markup of 35.1% and mechanical billing rate of \$75.19. These changes are based on our survey and reflect current pricing in the industry.

We are anxious to hear what you think of the changes we have made to the Pump Repair Guide. Give us a call anytime at 800-828-4436 to let us know what you think.

Useful Pricing Tips Now Emailed To You Monthly

For a couple of years we have sent an email to subscribers announcing our monthly Vaughens.com winner. During 2011 we changed the focus of the email and now provide a monthly pricing tip along with announcing the winner of the Vaughens.com monthly drawing. The pricing tips come from questions asked by subscribers when they call us for Hotline Assistance. You might be surprised to find that something you have been struggling to price is in fact included in the Guide. Make sure we have your current email address by calling us or emailing us at sales@vaughens.com. Otherwise, you could be missing valuable pricing tips each month.



Thank You for Your Help!



We would like to take this opportunity to thank all of our subscribers who responded to our annual pricing survey. It is with your help that we are able to provide a Price Guide that can best meet the needs of our industry. Thank you!

Vaughens.com Always Has Something New to Offer



We are always updating Vaughens.com and this year we are excited about a number

of new features added throughout the year. The first addition we made was giving users the option to save their motor quotes and customers on our secure server or on their computer as a PDF file. With the new select customer drop down box customer information can be included on your quote with the simple click of a button. Need to make a change to a quote you prepared yesterday? No problem - simply select the quote from your list of saved quotes. Many subscribers are already using these options to save time everyday when creating quotes. Remember, you can save up to 100 Quotes/Customers FREE with any Vaughens.com subscription.

Shop Labor Hour Report

In May we added a Shop Labor Hour Report for motor repairs. In September we added a Shop Labor Hour Report for pump repairs. The Shop Labor Hour Report lets you print out a report with hourly targets for each job to give to shop employees. They can see exactly how long a task they are assigned should take to complete. The form also provides space for employees to document any problems that might have affected the time it took to complete the repair. You can even print hours by task for rewinds and reconditions if you have several employees working on different stages of the repair. With this new report you can stay on top of what is going on in the shop.

Save Pump Quotes as PDFs

Also in September we added the ability to save pump quotes as a PDF. Plus, we added the ability to add your saved customers to your pump quote. We are continuing to work on pump pricing to make it as quick and easy as motor pricing.

Let us know what you think should be added to Vaughens.com by filling out our Customer Feedback Survey on Vaughens.com. Select "Customer Feedback Survey" from the menu at the bottom of the screen. As our way of saying thank you for your help we will apply a \$10 credit to your next invoice.

2011 Denver EASA Convention

As always it was great to get a chance to talk to all of the people that stopped by our booth this year. I am always interested in hearing what our customers have to say about the motor repair market in their area. This is also a great opportunity for me to see if subscribers have any suggestions for improvements we can make to any of Vaughen's products. Remember anytime you have suggestions or comments please give us a call at 800-828-4436.

What 2 Subscribers Have To Say



I would like to share a couple of the comments I received from subscribers this year in Denver:

From Warren, MI: "When I lose a job it is usually because I didn't quote Vaughen's prices. I will send the salesman back to check with the customer and it is usually the Vaughen's price that got the job!"

A long time subscriber who was in his sixties came by the booth with his Grandson who was in his twenties. The Grandson said to me:

From Narrows, VA: "When I came into the business recently my Grandfather gave me Vaughen's book on the first day and said here learn this to start." The Grandson then went on to say "It's the Holy Grail of the industry!"

We look forward to seeing everyone at the EASA Convention next year in Nashville, TN. Remember to stop by the booth to receive your FREE gift.



Some succeed because they are destined to. Most succeed because they are determined.

How Our Subscribers Use Vaughen's Prices

One of the questions we ask on our Feedback Survey is "How do you use Vaughen's Prices?" We thought you might be interested in how others use our prices.

- 32% "Quote directly from the Guide"
- 23% "Discount off the Guide"
- 19% "Add to prices in the Guide"
- 26% "Depending on the customer and job - Quote directly, Discount Off, or Add to prices in the Guide."

To determine the best way for your shop to use Vaughen's prices see the information in the General Information Section regarding Adjusting Vaughen's National Average Prices to Your Local Market (page G1-9). You can also use the Vaughens.com Local Pricing tab to determine how other shops in your area are pricing motor repairs.

Please Retain the Labor and Material Pages Currently in Your Guide

We have not made any changes to the Labor and Material Guide this year, so we have just included a new title page and the latest Quarterly Update on Material Costs for this section. If your guide is missing any pages from this section give us a call and we will send replacement pages right out to you. Note, the 4th Quarter Update on Material Costs will be faxed to all current subscribers in mid-January 2012.

Complete Our Feedback Survey and Save \$10

We are always interested in what our subscribers have to say about our

products. On page 4 of this newsletter you will find a customer feedback survey. Please take a few minutes to fill out the survey and fax it to us at 412-367-4884.

As a thank you, we will apply a \$10 credit to your account. Please note only one \$10 feedback survey credit can be honored per year. Thank you in advance for your help.



Vaughen's Price Publishing Co., Inc. — Customer Feedback Form — Save \$10

Could you please take a few minutes to help us in our quality improvement efforts? Your input is very valuable to us. Complete this form and fax it to us at 412-367-4884 and we will apply a \$10 credit to your account. Thank you! (Only 1 credit honored per year.)

1. How often do you use Vaughen's Price Guide?..... Daily..... Weekly Monthly..... Only a few times a year
2. Which of Vaughen's Products do you use? Price Guide Book..... Vaughens.com..... WinPDQ Software
3. How do you use Vaughen's prices?..... Quote directly from the Guide Discount off the Guide Add to prices in the Guide
4. How satisfied are you with our products and service? Very Satisfied Somewhat Satisfied Not Very Satisfied
5. How likely are you to recommend our products: Very Likely..... Somewhat Likely..... Not Very Likely
6. Place a check mark in the box that best describes your opinions about the following: *(Please check only one per line.)*

Features and Benefits of Vaughen's Price Guide:	Strongly Agree	Somewhat Agree	Disagree	Not Applicable
Vaughen's Price Guide helps me with all my pricing needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vaughen's Price Guide saves me time when preparing quotes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vaughen's Price Guide helps me make a fair profit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vaughen's Price Guide helps me price competitively in my area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vaughen's Price Guide is easy to use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The General Information section makes it clear how to use the Guide	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Condensed pages are useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The MG Set and elevator motor pricing pages are useful to me.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The quarterly fax updates on copper costs etc. are useful to me.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The AC motor pricing section meets my needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The DC motor pricing section meets my needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Single-Phase motor pricing section meets my needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Labor and Material Guide and labor hour standards are useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Centrifugal Pump Repair Guide is useful to me.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The one-page Submersible Price List is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Pocket Pricing Pal is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vaughens.com web site is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Motor Pricing section on Vaughens.com is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Saving my quotes on Vaughens.com is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Saving my customers on Vaughens.com is useful to me.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Labor Hour Report on Vaughens.com is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Pump Pricing section on Vaughens.com is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Customized Condensed Price Lists on Vaughens.com are useful to me.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The L&M Tools section on Vaughens.com is useful to me.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Manager's Tool section on Vaughens.com is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Local Pricing section on Vaughens.com is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your WinPDQ software is useful to me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. If you disagree with anything in question 6 above, please explain: _____

8. What is the biggest problem you face in your business today? _____

9. Is there anything else we should include in the Price Guide? _____

Please provide your company information if you wish to receive your \$10 credit: (Note: Only 1 credit honored per year.)

Name: _____ Company: _____ Phone: _____

Address/City/State or Province/Zip: _____

Please fax this completed form to us at 412-367-4884. Thank you for taking the time to complete our survey.