The Most Misunderstood Metric

How Not-to-Exceed (NTE) Limits Can Unlock Savings and Efficiencies for Facilities Leaders

Eliminate guesswork from NTE-setting with a strategic, data-driven approach that reduces costs, accelerates resolutions, and strengthens provider relationships.

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Introduction

Not-to-exceed (NTE) limits are one of those things that every facilities leader deals with, but not everyone takes full advantage of. Used the right way, NTEs can be a lever for efficiency, trust, and control. Used the wrong way, they create friction, delays, and extra work.

This guide walks you through what makes a good NTE strategy, why it matters more than you might think, and how ServiceChannel helps take the guesswork out of setting them. With the right structure and tools, you can reduce costs, speed up repairs, and get more time back in your day.

The right NTE strategy eliminates friction on all sides. It gives providers confidence to act, and it gives facilities leaders peace of mind that things won't spiral out of control.

Stefanie Teintze
Senior Manager, Marketplaces Program Management at ServiceChannel

What exactly is an NTE, and why does it matter?

Every repair request is associated with an NTE amount, which represents the maximum amount a service provider is authorized to spend on a repair without having to go back to facilities leaders for approval. It helps control costs, speeds up service, and keeps facilities leaders from being looped into every small fix.

When NTEs are set correctly, they:

- Give providers the go-ahead to move fast
- Cut down on proposal requests
- Reduce the need for oversight
- Keep budgets predictable

And when you base NTEs on actual data — like the average invoice for a specific asset or problem — you get ops with less chaos.

How ServiceChannel structures NTEs within data-driven issues lists

Drawing upon millions of data points and industry benchmarks, ServiceChannel replaces estimations and assumptions with NTEs facilities leaders can be confident in.

An **issues list** is a standardized catalog of common facilities problems — each linked to specific trades, priorities, troubleshooting steps, and pre-set NTEs — that ensures every work order is clear, consistent, and easy to act on. Within an issues list, every work order is routed based on:

- **Problem type:**
  The general problem to associate with the work order, like alarms, lighting, or plumbing
- **Equipment:**
  The specific asset involved, such as a rooftop unit or fryer
- **Problem code:**
  A clear, standardized description of the issue, like "leaking" or "not cooling"
- **Trade:**
  The type of professional needed to handle the job, like electrician or plumber
- **Priority:**
  The urgency of the repair, which determines how fast a provider should respond
- **NTE:**
  A cost cap that can be set by the facilities leader, but that is ideally customized using historical invoice data and industry benchmarks to speed up approvals without sacrificing oversight

Key components of an issues list

Problem Type	SINKS
Equipment	COMP/DISH SINK
Problem Code	CLOGGED
Trade	PLUMBING
Priority	4 HRS - EMERGENCY
NTE	$750

Instead of submitting a ticket that says "HVAC issue," facilities teams select the specific problem (like "Air Conditioner Leak"), and the system takes it from there. Troubleshooting tips help avoid unnecessary dispatches by prompting users to check simple things first — like power connections, access issues, or recurring problems that can be handled in-house. Warranty rules prevent tickets from being created for covered assets, while override flags like "FM Review" or "New Store Warranty" give your team a chance to step in before anything gets dispatched or approved.

Smart issues lists aren't about spending more — they're about wasting less time.

Stefanie Teintze
Senior Manager, Marketplaces Program Management at ServiceChannel

At ServiceChannel, we worked with a group of ServiceChannel Managed clients that opted into an issue list optimization program. They took advantage of our data-supported, industry-specific issue lists that included recommended NTEs. The payoff? Faster implementation and a stress-free transition onto the platform.

Issue list finalization times[1]

Facilities teams that adopted ServiceChannel's industry-specific issue list templates avoided go-live delays, typically caused by building issue lists from scratch. That reduced issue list finalization time from an average of 55.2 days to just 19.6 days during implementation.

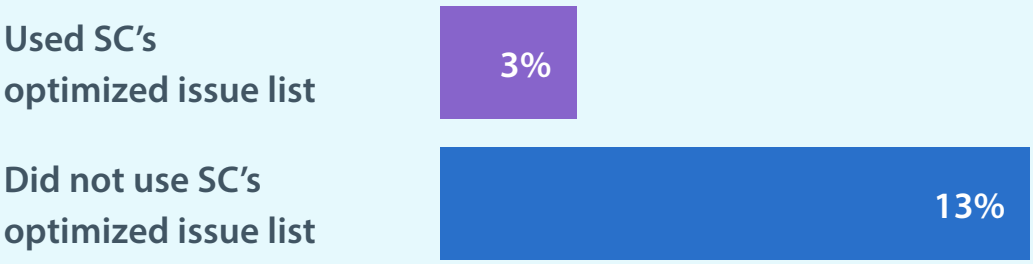
Higher NTEs can mean lower costs

Facilities leaders commonly set NTEs too low, because they're trying to reign in costs and exercise more control over their budgets.

Unfortunately, this NTE strategy leads to a few problems. For one, service providers oftentimes **glaze over low-ball requests**, so a location won't get the service it needs from the best providers. In fact, since 2024, businesses that have used ServiceChannel's data-supported NTEs in their recommended issues lists have seen only 3% of their work orders declined by providers. By contrast, those businesses that have set their own NTEs (usually too low) have seen 13% of their work orders declined.[1]

[1] *Data collected from ServiceChannel Managed customers over a 12-month period.*

Decline rates[1]



Secondly, providers that do take the work with an NTE that is set too low are more likely to go over budget, which leads to **service delays** as they wait for new budget approval. ServiceChannel customers who use our data-driven issues lists see an average service request resolution of 5.12 days, compared to 7.47 days of waiting for those who don't.

Average resolution times without proposals[1]

Finally, businesses that don't use ServiceChannel's data-driven insights lists with benchmarked NTEs actually **end up spending more money per work order** ($554 on average) than those that do ($465).

Average invoice value without proposals[1]

It turns out that holding on too tightly to the purse strings is actually pretty expensive!

[1] *Data collected from ServiceChannel Managed customers over a 12-month period.*

> **Low NTEs don't save money — they stall work, increase overhead, and frustrate providers.**
>
> **Stefanie Teintze**
> Senior Manager, Marketplaces Program Management at ServiceChannel

When providers can act without stopping for approval, they work faster, avoid extra trips, and fix the issue right the first time. That means fewer delays and lower overall costs.

How a national retailer fine-tuned its NTEs to save money and speed up service times

A leading national retailer with thousands of locations nationwide partnered with ServiceChannel to bring consistency and efficiency to its facilities operations. They had been relying on generic NTE thresholds that left too much room for guesswork and too little room for providers to do their best work.

ServiceChannel helped them overhaul their NTE strategy by:

- Replacing generic thresholds with data-backed NTEs tailored to specific trades, problem codes, and urgency levels
- Rolling out a structured issues list across every location to ensure that every work order included the right detail and dollar cap
- Equipping providers with the guidance and confidence to complete repairs faster without pausing for approval

The results speak for themselves:

- **$650+ saved** per location each year
- **30% drop** in average invoice amounts over a 12-month period for optimized trades
- **Fewer delays** and **smoother workflows** across the provider network

With better data, smarter thresholds, and more precise work orders, the retailer transformed how its facilities team operated at scale.

How to get started

Optimizing your NTEs doesn't need to be a heavy lift, and you don't need to figure it all out at once. Just start with a few first steps that will set you up for long-term success:

Identify your top-spend assets

Focus on the equipment types or systems that account for the biggest portion of your maintenance budget. These are the most valuable places to tighten NTE accuracy.

Review your 10 most common issues

Look at the most frequent work order types across your locations. These are strong candidates for standardized problem codes and NTE values that eliminate friction.

Set NTEs ~15–20% above historical invoice data

Use your past invoices to find the average cost for each issue type. Then set your NTE just above that to allow some buffer — without losing oversight.

Monitor proposal frequency and adjust as needed

If you notice a spike in proposals, that may mean your NTEs are too low. Use that signal to revise thresholds and reduce unnecessary delays.

Once you've built a solid foundation, layer in automation. Use ServiceChannel's issues list templates as a starting point, then test and tweak in a sandbox environment. Your ServiceChannel team can help you tailor the system to your unique facilities program, so you can focus on the big picture instead of the next quote approval.

Get smarter about NTEs

NTEs are about creating less friction, making better decisions, and moving faster in your facilities.

Connect with a ServiceChannel expert to get your custom issues list and NTE strategy in place.

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Interested in working with an FM platform that saves you time and money with optimized issue lists and NTEs? Or are you already a ServiceChannel customer who'd like to get the most out of your issues list and NTEs?

Get in touch with ServiceChannel today