GONG

ServiceTrade & Thermosystems Pricing & Next Steps Discussion

Brooke Caskey with Thermosystems, Llc.
Recorded on 12/19/22 via Zoom, 28 min.

Participants

SERVICETRADE

Brooke Caskey
Territory Manager

Chuck Dunham
Field Manager

Tim Spink
VP of Outside Sales

THERMOSYSTEMS, LLC.

Nina Campos
Controller

OTHER

TD

Topics

Transcript

CHUCK

0:00 Hey, there.

BROOKE

0:01 Hey... what's going on with?

CHUCK

0:05 I don't know.

BROOKE

0:08 It's not feeling well.

CHUCK

0:10 Not at all. Sorry. Yeah... just... doesn't seem to be getting better... whatever it is.

BROOKE

0:22 So, are they running tests right now?

CHUCK

0:25 I'm guessing I just dropped her off. So she's probably gonna wait a little bit and then... but I'm sure they will.

BROOKE

0:33 Yep. Well, keep me updated.

CHUCK

0:39 Yeah, thanks... time. I'm all set up here in my car.

BROOKE

0:45 Okay. Cool. Well, if you need to drop, don't worry and they just got here at the same time. So, I'm gonna let Tracy in, Tim. Okay?

CHUCK

0:52 Okay. And I had the, I had the parcel as you're working if we need to. Okay?

CHUCK

1:06 Hey.

BROOKE

1:06 Tracy, hi Tim.

TIM

1:09 Hey, Brooke. Hey, Tracey. I'm remote, so I'm just gonna leave my camera off. So I don't make you all busy because day is driving.

BROOKE

1:15 Good.

BROOKE

1:20 Tracy there. Yes. Cool. I just couldn't see you. So I wasn't sure.

NINA

1:27 I...

TD

1:28 Working off of my monitor in my laptops over sitting on a different part of my desk. So.

--- Purchase decision ---

BROOKE

1:36 Perfect. Cool. Well, pretty straightforward today. The purpose of this meeting is to review pricing for the products that we've discussed throughout your evaluation. And so I have a document where I'll share my screen and I thought we could just walkthrough it line item by line. That sounds okay.

--- Purchase decision ends ---

BROOKE

1:56 And then Tracy, you're not waiting for anyone, right? We can get started. Okay? Cool. So let me go ahead and share my screen here.

BROOKE

2:09 And if I'm not zoomed in enough, let me know.

TD

2:13 That's good.

BROOKE

2:14 You can see that. Okay. So starting at the top here, obviously the first thing that we're going to start with is your technician licenses.

--- *Pricing* ---

BROOKE

2:24 And we're recommending the premium plan for you that's gonna give you things like the portal of contracting access to integrations, access to partsledger. So that's definitely the best place for you guys to start with. So at our annual recurring cost for your premium lice senses is the 1,668 per year, meaning your annual fee for your licenses is 25,020 dollars. Is that clear? Perfect. We don't charge for support, of course, that's included in the fee. And then you'll have a one time setup fee of 52 50 and that's to build your service rate account. So getting all of your data in the account, getting your users setup, you know, your assets and their customers, things like that, that's our fee for that.

--- *Pricing ends* ---

BROOKE

3:16 And same with the training. So we'll give you the online modules to train your office and your tech technicians on how to use the system with best practice.

TD

3:26 Gotcha.

BROOKE

3:28 Down here, we have the partsledger subscription. So this is for the po generation that we discussed with Tonya last week.

--- *Pricing* ---

BROOKE

3:35 That is for the subscription that would allow you to do that from both in the field and the office. It sounds like you're doing it in the office right now. So... that's for that. And then that was fine with Computerease too. And then the mobile user fee for partsledger is just the 228 per year per tech. So that's how we arrived at that 34 20 number.

TD

4:00 Okay.

BROOKE

4:01 There is a one time setup for connecting POS with partsledger of 1,800 here. That's one time. And then there is also a one time setup to connect partsledger with the computer, is connector and that's 1,491 time listed here.

TD

4:15 Okay. Or.

BROOKE

4:17 The Computerease connector, we do charge an annual maintenance fee to keep it, you know, up and running up to date and working for you of 6,000 dollars. And so that will be, and then we do charge a one time setup fee for the overall stock connection for Computerease at 52 50. And that allows our team to have enough ours resources to get everything working for you.

TD

4:44 Can you hold on a second yep?

TD

5:01 Go ahead.

BROOKE

5:03 And then the last line item you'll see down here is an optional line item. This is an optional extension rate. Should you need to expand your implementation window. As it stands for your implementation, it would be around that four months, 120 day mark.

--- *Implementation and ongoing support* ---

BROOKE

5:20 And that's sort of the average for a company of your size and scope, looking at the products that you're interested in with service trade. But this is just the rate if you were to extend that. So it only if it's necessary.

TD

5:37 Okay. Yeah.

TIM

5:39 Brooke, I didn't one other thing trace that unless I'm not seeing it on there, but we do onsite if you would prefer to do onsite go live and training like that as well. If you're interested in that, we can talk about that too, but... because you're...

TD

6:00 That would probably be beneficial... just because believe it or not our techs who, you know, claim to be computer geniuses, sure, what stuff? Yeah. So I would anticipate that, yeah, onsite for at least a handful of the older guys... probably be very beneficial.

TIM

6:27 Yeah. The other thing is really good with too is because we'll put the data in a sandbox and we'll you know, before we go live.

--- Implementation and ongoing support ends ---

TIM

6:35 And it also is helpful just to kinda review that as well during, you know, hey, make sure everything looks right? Do you have any questions? And it's we've got a, we can send you sorta the summary of what we go through with the onsite?

TD

6:47 Yeah.

BROOKE

6:49 Does anyone know I can post? She's trying to, he or she is.

--- Pricing ---

TD

6:52 Yeah, yeah, that's Nina, she has popped her head in here. I didn't realize she wanted to.

BROOKE

6:57 Okay.

TD

6:58 You can let her in. That be great.

BROOKE

7:01 Just let her, I was at... a meeting crusher... Tim. Do you have the numbers for onsite training off hand? I don't have.

TIM

7:11 Yeah, I wanna say onsite is 1,200 a day to day minimum, 3,600. Yeah, for both days. JHA, just reminding me 3,600 for the two days.

TD

7:25 Okay.

TIM

7:25 Again, you can extend it more than two, but it's a two day minimum, but you're right on the cost of 15 tech, but yeah, you two or three days should be fine.

7:38 Okay. You.

BROOKE

7:40 Yep. So all your annual charges are going to be the 40,320 number here. So that's in your annual subscription. So that's the tech licenses, the stock connection with Computerease and the partsledger subscription for purchase orders. And then your one time charges the first year, 13,790 making your grand total for the first year without onsite training. If you just if you choose to go in that direction, this 54,100.

TD

8:13 Okay.

TD

8:21 All right.

BROOKE

8:25 What questions do you have?

TD

8:29 So, after that initial, yeah. So then after that... how about, as we add technicians down the road, what rate do they get locked in at a rate or how does that work?

BROOKE

8:44 So your rate for technicians... it's one 39 per tech per month build annually. So that's the 1,668 number. When you add technicians in let's say like three months into your subscription, we prorate them for the remainder of the year. And so you can add technicians whenever you need to.

TD

9:03 Okay. But they're locked in at that one 39, whatever it is, right? Correct.

BROOKE

9:09 For that subscription are, yes.

TD

9:12 Okay. So, right. Okay. And then we revisit that pricing annually. When do we revisit that? So I can budget accordingly?

BROOKE

9:24 Typically, it's annual annually?

TIM

9:29 If you're interested in a multi year deal, we're fine with that too. And then you can like, you can like in some of the increases so you can predict what next year's increase would be. We could build all that in. So you'll know if a multi year deal is something here.

TD

9:51 Traditionally, over the last two years, what kind of increases have you guys had annually?

BROOKE

10:00 So, we just increased our pricing for the first time and I think and keep me honest, I think it was like two or three years... before that, it hadn't gone up. And... so, I guess my answer to that is it's and the reason that we increased our prices was because we added a suite of project management functionality. And so... that's why that happened. But we're not planning to raise our prices year over year.

TIM

10:26 Yeah. And what Brooke is saying is your price typical increase to answer your question has been seven percent year over year, and that's what's in the contract. We can't do more than seven. We, that's the max. The other thing is it will never be higher than the current M SRP. So, what Brooke was saying is you're a, M SRP. So, as of right now, there wouldn't be an increase next year unless the price unless we increase our MSP.

TD

10:56 Gotcha.

TD

11:05 Okay.

BROOKE

11:09 Tracy is a multi year deal, something you would consider?

TD

11:17 Yeah, the pricing was reflective of that.

NINA

11:25 So, Brooke, quick question... hopefully, you can hear me? You said it's one 39 per technician?

BROOKE

11:36 For the, for the premium subscription, yes.

TIM

11:39 Billing…

NINA

11:40 Everyone.

TIM

11:41 Don't know why we say monthly, but, yes.

--- Parts management (purchase orders) ---

BROOKE

11:44 Okay.

NINA

11:45 And then the mobile user that's roughly 15 dollars per person?

BROOKE

11:52 Where is that right here?

CHUCK

11:55 The partsledger…

BROOKE

11:57 Yeah, that's the…

NINA

12:01 Okay. And.

TIM

12:03 They're not cutting POS in the field. If you're just doing it in the office. Do they need that?

NINA

12:11 That…

BROOKE

12:11 Right. You guys ever cut POS in the field?

--- Parts management (purchase orders) ends ---

TD

12:17 No.

BROOKE

12:18 No. Okay. Then we might be to, that might be my mistake.

BROOKE

12:25 Okay. Yeah, I'm pretty sure we can take that off. I wasn't sure... I think we can take that off now that you say that.

NINA

12:33 One other question, this whole pricing. Is this just an 15, yes users? Okay?

--- Access to information ---

BROOKE

12:39 Okay. No here. So your office and admin are completely free.

NINA

12:45 And how many office in admin, do we get completely free?

BROOKE

12:49 Unlimited...

NINA

12:52 Really? Okay. Yes.

BROOKE

12:54 Yep. Yeah. We charge for your technicians in the field because that's who's driving your revenue through using a platform like ServiceTrade?

NINA

13:03 Yeah.

BROOKE

13:05 So, I'll remove this 34 20 line item... because if you guys don't need mobile po users, and that makes sense?

--- Access to information ends ---

TD

13:16 I don't that would be not good. So.

TIM

13:23 And again, the good news is too, let's just say over time you say I do wanna do that, but, you know it, yeah, exactly.

TD

13:34 Yeah.

TD

13:39 Okay.

BROOKE

13:44 So, you mentioned for a multi year deal, it would be something you can consider if the price was, right, that would be more of a Tim conversation... idea.

TIM

13:54 Yeah, we'll let me get back to you on that as far as I just got to run the numbers, but to your point, yeah, typically, it's beneficial to us too, and I get it makes it easier for you from a budgetary standpoint. So, yeah, we're... we will do some incentives and all your.

TD

14:15 Right. Okay.

BROOKE

14:22 Go on.

TD

14:29 So... Nina, did you have any other questions off top of your head?

NINA

14:35 I can't really hear you Tracy, but she answered the three questions that I have.

NINA

14:45 And I, I'm sorry, I came late to dinner here. So the service trade accounting connector to computer is the 6,000 dollar annual fee.

--- Accounting ---

NINA

14:56 Yep. Is that to set up the sync functionality or do you produce it in a flat file and we... do like... journal entry into CE?

TIM

15:17 So we have built a basically on behind the scenes. It just puts it in the right format. It's just a script we wrote and then you just import it into CE, so it, it'll pull up into those screens that you're familiar with.

--- Accounting ends ---

TIM

15:32 And then you just say, yeah, and then you just say you hit the button. I think it says I can't remember.

CHUCK

15:37 But...

TIM

15:38 You just hit the button and then it takes it to the next thing that you typically do in CE.

BROOKE

15:44 Okay. Okay. Yep. And that annual fee is to keep that maintained and running for you.

TIM

15:53 Yeah, we have a gentleman by the name of Tom. I can't remember his last name. Thank you. He's on, we have him on retainer. So, and we keep him on retainer for this very thing in the event we need expertise in the Computerease world, and he's available to us.

NINA

16:14 All right.

BROOKE

16:19 Any other questions?

NINA

16:26 I don't have?

TD

16:26 Any think anything else on the pricing side? No?

BROOKE

16:31 Okay. So we'll talk through any incentives we can offer on a multi year deal trace. I am curious now that you've seen pricing for service, trade, BuildOps and Salesforce... where does service trade rank?

TD

16:47 So, I haven't seen Salesforce have another meeting with them tomorrow... to go through that pricing based on the meeting we had last week. So I haven't had that yet. But... all you guys are, well, I can't say Salesforce, but as far as you BuildOps, you guys are, you guys are on the same planet. Let's put it that way?

--- Purchase decision ends ---

TIM

17:14 Yeah, we're all about the same, yeah.

TD

17:19 Really at that point, right? It gets down to everybody's implementations a little bit different and some of their other... you know, add ons or what have you or a little bit different. But yeah, you're all living in the same world.

BROOKE

17:34 Yeah.

--- Pricing ---

NINA

17:35 So, can I ask just one question? I'm going over this top line item technician license. And the 1,668 I would assume is by month, right? 25,000 annually?

BROOKE

17:50 Yeah. So, sorry if it's a little confusing here. So, this 1,668 actually reflects an annual cost for one technician. So multiplying that by 15. I think, right? Am I doing that wrong? 1,668? Yeah, that's the cost for one technician license for the year. Okay. Sorry, I'm not.

--- Implementation and ongoing support ---

BROOKE

18:25 Okay. And on... does that clear things up... Tracy on the topic of implementation and onboarding? So for the products that you guys require, you guys would be considered a strategic shop in our eyes. And as of now, the next available spot for a strategic shop is... I believe we have two spots left for March first and those are soon to be filled. And then it would go to March fifteenth, yep.

--- Purchase decision ---

BROOKE

19:04 So, from here, what else needs to happen on your end before a decision is made?

TD

19:10 I believe when we left this, that you guys were gonna give us some contact information for like somebody who used CE... thought we talked about that.

BROOKE

19:27 I think Tania has a list. I think she's like 38 clients that use that use that.

TD

19:34 I don't think we, I don't have the time nor the desire to call 38 people, but it would be beneficial to get... the information for probably the most experienced user. Okay? That implemented the longest and at least have a brief conversation with them if they'd be willing to do.

--- Purchase decision ends ---

BROOKE

19:55 Okay. Anything particular that you would want to speak with them about regarding the integration or specific questions you might have for them. Just so I compare you with the right person.

TD

20:06 I will defer that to Nina because she has to deal with it on our activate side with our parts department. So she would better know... what questions we might ask.

--- Accounting integrations ---

NINA

20:20 Whatever clients that you have that is integrated with Computerease aspect and familiar with the syncing and... any issues that they might have, how well it's supported how quickly the turnaround is, if in the event there is an issue... ongoing issues... for animals that just don't wanna sync nicely. So just that.

--- Accounting integrations ends ---

BROOKE

20:55 Okay.

TIM

20:56 Yeah, no, I was gonna say, I think I want, we're gonna give you Johnson mellow as one of them. They're in Indianapolis. And the reason why I think that's a good one. They, they've only been on about a year or a year, but those guys run a good business and whatever they say, I would follow what they're doing.

TIM

21:18 I met with them about three weeks ago, and like I said, I was just really impressed with what they're doing and... he's the CFO either one. But I would give them Dave horney's name. Well, Dave horny is the guy's name and we'll make sure you have his name, but I definitely would talk to him too either way, right? Even if you don't go with us. That's somebody I'd like to connect you with.

--- *Purchase decision* ---

TD

21:42 Okay.

NINA

21:42 Okay.

BROOKE

21:43 Well, we can get that over to you. So it sounds like... on our end, we'll discuss options for a multi year. On your end, we'll get you connected with Dave... and then anything else from there?

NINA

22:02 I think I'm good. How are you trace?

TD

22:06 Again, I think I'm good... implementation. How long do you guys think that would take?

--- *Implementation and ongoing support* ---

BROOKE

22:17 Yep. So for the suite of products you're looking at our next available again is this March first and the average service window that we call to get your account up and running, get everyone trained. And, you know, you guys are ready for a successful go live date that's about four months. So 120 days. So it sounds like your targeted go live is about June thirtieth at this point.

TD

22:44 You...

TIM

22:45 Yeah. I mean, I think she's that's accurate. And that's what I would say... to use the sort of... you know, guidelines if your team can move faster, we can usually move faster, meaning a lot of times we'll set up the data, but once you guys to go in there,

we'll want you to test the connector, you know, look at the day to make sure that, you know, I don't know locations look right items, look right?

--- Purchase decision ---

TIM

23:11 And again, we can move sometimes a little bit faster. I know you originally had a little bit more aggressive timeline... but again... we'll do our best, but I think she's right, realistically, those are the right time lines to work.

TD

23:29 Awesome. Okay, fair enough.

BROOKE

23:34 Out of curiosity, are you planning to speak to a Computerease customer from building from BuildOps?

--- Purchase decision ends ---

TD

23:42 Yes, we've requested the same information from them as well.

BROOKE

23:46 Okay. Have they gotten that to you yet?

TD

23:48 No.

BROOKE

23:49 Okay.

TD

23:50 Have a follow up meeting with them in on Wednesday.

BROOKE

23:56 Gotcha.

TD

23:56 What we're doing today?

NINA

23:59 I...

TIM

23:59 Got it.

BROOKE

24:02 All right. So, I know that obviously this is a fun time of year, Tracy. Are you working over the next week or so?

TD

24:12 Yeah, I'm not taking any time off.

BROOKE

24:14 Okay. All right.

TD

24:17 I've got some high priority items. I'm trying to get done by December.

BROOKE

24:21 Yep. So we'll get you connected with Johnson, mellow. I'm sure we can send that over this afternoon.

TIM

24:28 Yeah, we'll find you another one. We'll find you two or three?

TD

24:31 So...

BROOKE

24:33 And then when can you make time to reach out to the reference or references? Is that something you can do this week?

TD

24:42 That, that would be my goal? Yes?

BROOKE

24:45 Okay. So, is it too soon to say, let's reconnect on Friday? Because that gives us the remainder of the week for us to talk and then you to reach out to whoever you need to.

TD

24:56 Our office is closed on Friday, so we're close the next two Fridays... recognizing Christmas eve and New Year's Eve, but... I would say it would probably be next week

this week's. Pretty booked up for me. Okay? But yeah, I'd be after the holiday on Monday?

                                    BROOKE

25:20 Okay.

                                    NINA

25:20 Also would be contingent on their response.

                                    TD

25:24 That is.

                                    BROOKE

25:24 Correct. Yeah.

                                    NINA

25:25 They're gonna... wanna talk to us immediately.

                                    BROOKE

25:33 Tim, Chuck, are you guys here next Monday? It looks like you are, well.

                                    TIM

25:39 Monday? Yeah, yeah, I was gonna say.

                                    TD

25:41 Yeah.

                                    CHUCK

25:42 I'll be here.

                                    TIM

25:43 Yeah, I'm around.

                                    BROOKE

25:45 Monday, okay?

                                    NINA

25:46 Well, Monday is the observance for Christmas day.

                                    TIM

25:48 Yeah, Monday is Tuesday.

TD

25:51 Hey, Brett. Yeah.

BROOKE

25:52 Tuesday, okay?

TIM

25:54 Work on Monday?

BROOKE

25:57 I need to look at some stuff that I accepted. Okay, Tuesday, it looks like the three of us are available at one and two eastern... is either if either of those work for you guys. I think you guys are central, right?

TD

26:18 Yeah.

BROOKE

26:19 Okay. Would it would be either noon, one noon or one your time on Tuesday?

TD

26:27 One of the reasons I always work this time of year is I can actually get caught up during this time period? I'm wide open next week.

CHUCK

26:38 I just put Dave horney's contact information in the chat and I'll send that over to you, Tracy here just as soon as our call's done.

BROOKE

26:47 Thank... cool. We'll wanna plan for noon next Tuesday, in that case, noon, your time? Sure. Okay?

TIM

26:56 I would say give them Russ and hers too, but if you want to try to get people to respond quickly, Russ is just hard to get a hold of. So, we'll give you, we'll give you his name, but we'll give you a couple of more to.

BROOKE

27:08 Yeah. But if anything, I would prioritize Johnson. Okay, cool. Well, we'll get those over to you and then we'll put our heads together on a multi here and then let's plan to reconnect next week... perfect... thanks, Nina, and let me know we have a great holiday.

TIM

27:33 You...

                                        TD

27:34 Guys have merry Christmas.

                                        TIM

27:36 So...

                                     BROOKE

27:38 Everyone.

                                        NINA

27:40 Bye.

                              The End