HB Mechanical Services & ServiceTrade Consultation

Matt Hetrick with HB Mechanical Services
Recorded on 3/9/23 via Zoom, 57 min.

Participants

SERVICETRADE

Matt Hetrick
Field Manager

Amanda Vaughan
SDR

HB MECHANICAL SERVICES

Ian Underwood
Director, Operations

Philip Parker
Controller

Bob Munz
Vice President

Topics

Transcript

MATT

0:00 Hey, good morning, Phil.

PHILIP

0:01 Good morning... you?

MATT

0:06 Good.

MATT

0:13 I'm not mistaken. We're waiting for Ian and M, Bob.

PHILIP

0:17 Yeah, they should be joining me.

MATT

0:21 All right.

PHILIP

0:25 Let me go get to the end real quick.

MATT

0:27 What's that?

PHILIP

0:28 Let me go get an real quick all.

MATT

0:30 Right. Sounds good.

PHILIP

0:59 I think Bob should be here just a bit and... should be in after that.

MATT

1:07 Okay.

PHILIP

1:08 Sorry, we're not.

MATT

1:11 No worries. I know you guys work in a busy industry. Things come up.

PHILIP

1:19 Yes.

MATT

1:20 You're the controller over there at HB.

PHILIP

1:22 Yes, yes.

MATT

1:24 Okay. Very good.

MATT

1:38 Hey, good morning, Bob.

BOB

1:41 Good morning. Can you hear me?

MATT

1:44 How are you doing today?

BOB

1:46 You hear me?

MATT

1:47 Can hear you loud and clear. Can you hear us?

MATT

2:01 Hear us, Bob.

BOB

2:03 Yeah. Can you hear me?

MATT

2:05 Yup. We got you.

BOB

2:08 Is he in on here?

MATT

2:11 Yeah, I think he's the last one we're waiting for. Okay?

MATT

2:20 And Bob, you are the vice president over there at HP?

BOB

2:25 Yes.

MATT

2:27 Okay.

MATT

2:44 Good.

MATT

3:07 Is Ian coming out of a meeting or is he reviewing a backlog? Of invoices?

BOB

5:35 Hello, you still there?

MATT

5:37 You're Bob?

MATT

5:43 Is... is in just running a few minutes late. I mean, you guys wanna wait for him or do you wanna get started?

BOB

5:50 I think we go ahead and start?

MATT

5:53 Okay. Well.

BOB

5:54 My screen looks very far.

MATT

5:57 Yeah. Here, I am. If you guys have a camera, you can turn it on with the Zoom menu bar at the bottom there. There should be a little video icon. Click that, it'll allow me to see your face?

BOB

6:13 Yeah. The way that our setup is my laptop is what I'm using there's not a camera on monitor, Philip, you can see Philip?

MATT

6:25 Yeah, I can see Phil. Now. Thank you, Phil. I appreciate that as remote world. It's helpful to get a little bit of the face to face or we can get it... if you can't figure your top, Bob, no worries.

MATT

6:41 So...

BOB

6:42 Go ahead and get started.

MATT

6:44 All right. Let's do. So, I appreciate you gentlemen taking some time to meet with me basically and Amanda may have explained all this, but the whole purpose of this call is to learn a little bit more about you guys at HB, your current process, some areas for improvement, what's the direction you see taking your service department over there. And then I can give you a little bit of background on service trade, who we work with, what we're really good at, what we're designed to do, and then answer any general questions you guys have about our functionality. And then if all this makes sense, and we can go ahead and set up an actual demonstration of service trade where we can get into the platform, I can show you around, show you how to schedule dispatch jobs, quote for repairs, track customer equipment, things like that. So all that being said, my name is Matt Hedrick. I am the fee for Texas here at ServiceTrade. And I just got your titles and roles. Ian is now joining us and I believe Ian is the director of service over there at HB.

BOB

7:51 Record of operations.

MATT

7:53 Director of operations. Okay?

--- Type of work ---

MATT

8:01 And so I've got some notes that Amanda took. It sounds like you guys are around 30 designated service tech, planning on hiring five to 10 more. You guys are 100 percent commercial, right? You're not doing any residential work?

BOB

8:18 That's correct?

MATT

8:19 Okay, good. And then...

PHILIP

8:24 Just one little clarification.

--- *Pricing* ---

PHILIP

8:26 So we're really around 23 to 25, but we're probably in the process of going to hire, probably have to hire five more this year. We're last couple of years, about 30 percent year this year seems to be as a potential being a little bit more than that. So we'll see how that goes. But we just recently hired three additional sales reps on, we're gonna hire one rep looking for service agreements, a rep, I guess. So the potentials are even more than we did a lot more than we did last year. So, which means we'll probably have to have more technicians, 30 or plus 30 to 35.

--- *Pricing ends* ---

MATT

9:17 Thank you for that, Philip. You actually stole some of my thunder there. That's usually a really good sign about a company if they're investing in a sales team and have an actual designated sales department, which means you guys are probably looking to grow that's something that you focus on.

--- *Type of work* ---

MATT

9:34 So speaking of that, I think I saw in the notes that you guys aren't doing any Construction. Your projects are more small installs, retrofit, swap out things like that.

BOB

9:50 Well, I don't know about, I mean, what are you calling? Small idea? What you're thinking?

PHILIP

9:58 I guess somebody talked to me maybe because I said we don't do like really large Construction projects. I mean, you know, probably the biggest I've seen that we bid on is like two point 2,000,000. Typically, it runs from anywhere from let's say 50 to a 1,000,000. And then, you know, a lot of the equipment retrofit stuff. We're not, we don't like to get into large Construction projects like brand new Construction where, you know, you could potentially lose a 1,000,000 dollars. Is there, it's just doesn't have a lot of high.

--- Type of work ends ---

MATT

10:37 More.

PHILIP

10:38 So...

BOB

10:39 We don't really do round up.

MATT

10:41 Yup. Yup. Yeah. And that's you're speaking our language, that's what I was talking about. So different people have different ways of qualifying the size of a Construction job. I think people's inclination is to refer to it by dollar amount. We have defined it more as project complexity and duration.

--- Type of work ---

MATT

11:00 So usually your swap out retrofit and things like that. You're talking about maybe a few weeks to a few months to take care of something like that. Whereas ground up Construction. Now, you're talking about Aia billing, subcontracting a bunch of people and something that's gonna take a year or more.

--- ST app contracts and pricing ---

PHILIP

11:17 Yeah, we do have a little bit of that, but it's you know. So there's some that have been taking over a year to complete in our current system. Mobile logic. We don't really do percentage completion. It does not recognize it, correct. You can say, okay, recognize 10 percent of the revenue and you'll recognize 100 percent of the cost you have in the, so it doesn't say here's 10 percent of the revenue. This is what your projects margin is gonna be. And then, you know, set the cost or recognize the cost but it doesn't do that. It just says, okay, you wanna recognize 10 percent revenue? Okay. I'm gonna recognize 100 percent of the width of the cost. So your being upside down.

--- Type of work ---

MATT

12:00 Yeah.

PHILIP

12:02 So it's not a very good system when it comes to.

MATT

12:04 Okay. Well, again, you're speaking our language because as we'll talk about a little bit later on service trade was designed specifically for commercial service contractors. That being said, we have a lot of customers that have large Construction divisions, you know, like the kill doors of the world, but service is still, you know, usually separate from that.

--- *ST app contracts and pricing* ---

MATT

12:27 And a lot of them put those small projects under the service umbrella. They don't consider it the large Construction stuff. And we have project management features for those jobs that where you can set a budget Progress Bill, you can do the whip reporting, change orders and stuff like that.

--- *Type of work* ---

MATT

12:43 So that's a really good fit there. You mentioned that you're adding salespeople to push maintenance agreements. That's another really good sign that's something that we're big advocates of is prioritizing the planned work versus the break fix on demand work. There's a lot of really good benefits for that. What percentage of your customer base would you guys say are under maintenance agreements with you roughly?

BOB

13:15 Probably... 60 percent of our custom.

MATT

13:23 60 percent. More than a half that's very good. Is that something you guys are focused on is increasing that number? Getting more of your customers on the main?

BOB

13:34 Yes... contract business development guy out there?

MATT

13:43 Perfect. Perfect.

PHILIP

13:45 Our... president and owner, I guess he has a friend that kinda does private equity stuff and... he had a look at in his recommendation was for us to try to get...

BOB

13:59 More.

PHILIP

14:00 Service agreements.

MATT

14:01 Yeah. There's a lot of benefits to service agreements. One is it creates a higher evaluation of your business which some of you guys may not care about as much as the owner. Two... it ensures optimal running time for your customers equipment. Now, you guys are no longer associated with headaches and pains and emergency calls, where you got to be out there yesterday. It's easier to predict in place the work get out in front of repair so that you have control. The demand curve for your service is going to be volatile on a break fix model. You never or no, when you're going to get all these calls. Whereas if you have more of your customer base under maintenance agreements, you can steady that curve out and it's more bearable throughout the year.

--- Customer engagement ---

MATT

14:46 And then of course, maintenance agreements are always a foot in the door for those additional repair opportunities. So for that pull through work, find the other stuff that you guys can capture while you're out there service and the equipment. So the equity friend is giving you Sage advice in that area.

--- Accounting integrations ---

MATT

15:06 Are you guys doing much of any of third party work? Like going through national accounts, things like service channel cargo or any of that?

BOB

15:16 We do have customers that use service channel?

MATT

15:22 Okay. And most of our customers have some portion of their customer portfolio that are like that and try to keep that as small as possible. Is that about how much of that third party work that you guys?

BOB

15:35 Well... not that much, actually, I think we only have like... a couple of customers that use it. We have one customer that uses something called maximum you ever

heard of that?

MATT

15:52 Yep. I have, yeah.

BOB

15:54 That customer, we do a lot of work for.

MATT

16:01 Yeah. And that's also very much aligned with our customers that they try not to do a lot of it, but it just so happens some of their bigger customers use it.

--- Paper process ---

MATT

16:11 And so they're willing to jump through those hoops for them. It's kind of a special case, but for the most part, they're trying to minimize that amount of work as much as possible just because it inherently requires extra data entry and you guys have to comply with somebody else's system.

--- Accounting integrations ---

MATT

16:26 So a lot of limitations with it. So what I guess more generally speaking, what's really driving the initiative here for looking at service software? I know you guys aren't happy with mobile logic by the way? Is that also your accounting system? Yes, mobile logic is your accounting system as well.

--- Accounting integrations ends ---

MATT

16:51 So is the idea to get away from mobile logic on the accounting side and the field service management side as well? Just kinda overhauling that.

BOB

17:01 Like to get away from.

PHILIP

17:06 Yeah, the, we just have to struggle just getting the information out of mobile logic. And we're looking, you know, our goal is to be 30,000,000 in, you know, three years, which at the rate we're going should be very doable.

--- Pricing ---

PHILIP

17:24 The problem is with mobile logic, we might not be able to do it just because of the call system constraints. And then plus we'd like to get to 30,000,000. At least my goal is to get to 30,000,000, but we're not having to add a lot of administrative had count, adding service technicians.

--- Pricing ends ---

PHILIP

17:44 We might be adding sales reps, but as far as the administrative side, you know, we probably add maybe one two people, but... we're able to function with almost the same group. We have. Now, we probably have to add another dispatcher... another service manager, but really try as far as the back end processes, you know, just let people go with what we have.

MATT

18:15 More out of the resources you currently have.

PHILIP

18:19 Correct.

MATT

18:20 Yeah. And we consider the office, you know, the back end, those are that's overhead whereas your technicians are highly paid assets out there generating the revenue for you guys. So that's a smart way to go about it.

PHILIP

18:33 Yeah. I mean, just right now it's you know, we've seen other potential ERP ERP systems and now they're able to pull out information in minutes and for us, it could take hours.

MATT

18:46 Yeah. Well, to be honest, we run into a lot of different ERP systems. We have a lot of partners that are resellers of products like stage, NetSuite, Computerease. So we're very familiar with the big players out there in your space. Mobile logic is one that I don't know if I've ever run into them. And if I have, I can't tell you the last time I run into them. You guys are over 20 tests with aggressive growth trajectory. It sounds like you've long since outgrown that. So I think that's smart that you're looking at that. By the way, what are you guys looking at for other accounting solutions out of curiosity... or have you gotten that far?

--- Accounting integrations ---

PHILIP

19:35 We touch base with a couple of people. We've looked at service tighten. We looked at BuildOps.

PHILIP

19:52 BuildOps to use, you know, different accounting package service tighten the same way... they had?

BOB

20:05 Counter package?

PHILIP

20:06 Is all one system?

MATT

20:10 So, I guess actually let's back up. I guess that makes sense. Since you guys are currently on what many would consider an all in one. Is that what you're looking to replace it with as another all in one? Or are you open to getting an ERP system and a best of breed service management module that you plug into that ERP system?

PHILIP

20:35 I think we're okay with, you know, having the two different systems where, you know, as long as the interface, you know, without any issues, you know, just automatic. I don't think we want to go back to Quickbooks. We originally Quickbooks before mobile logic. So the kind of set the playing field is the owner is probably looking to retire, you know, five to 10 years.

--- Accounting integrations ends ---

PHILIP

21:06 He's wanting to get, you know, he basically wants to sell and get a big boat and... his life, I guess. But... currently we're you know, our multiple is about six to seven. The customers we have is a good customer base. And so we'd probably get a higher multiple especially when we can get the bottom line to perform at a better level. And like you said, have more service agreements but... you know, his goal is to get it to maybe 100,000,000 and then, you know, the multiple becomes 10 or 12. And so that's kinda the goal that we have as a company to grow in a very short period of time.

--- Pricing ---

PHILIP

22:00 And so we're looking for a system that when he goes to sell, people are gonna buy us. They're not gonna have an issue with whatever we're you know, it's not gonna be something like we're gonna have to convert from mobile logic is gonna cost us 250,000 or a 1,000,000 dollars or 2,000,000 dollars to convert them. They, we don't want to be sold a discount. We want them to come in and have, okay, you're in the system? Yeah, that makes... sense. You know, also we want a system that to get to 100,000,000 let's we're just dreaming here, but let's say we're going to get to 100,000,000 to get there.

--- Type of work ---

PHILIP

22:45 Were, you know, we'll probably acquire other H back plumbing companies, but at the same time we're looking for, you know, energy opportunities. So we want something that can handle different things like real. We're gonna start probably rentals in the next quarter. We already do rentals but we have to use other people's equipment.

--- Pricing ---

PHILIP

23:13 We're trying to get our own... which is probably going to be, you know, at least a 1,000,000 dollar investment to 2,000,000 dollar investment... or even 3,000,000 depending what equipment we get. But we're looking at doing different. So could be in being a distributor could be whatever it is.

--- Type of work ---

PHILIP

23:35 But we want a system that's flexible enough to be able to handle whatever direction we wanna go. And, you know, Kevin is the owner. The president is trying to change our, you know, brands. So right now, we're mechanical but he wants to be no more, you know, facility management to it won't just be mechanical. It could be.

BOB

24:04 You know...

PHILIP

24:06 We're going to help you with trying to save on your energy. It could be whatever you know... which makes a lot of sense because we're so directly involved with energy. The customers can get rebates if they replace chiller or whatever. You get rebates from the electrical company just for energy savings.

--- Type of work ends ---

PHILIP

24:31 So... you know, we're looking at joining up with the company. Now, that does that kind of thing that analyzes the customers or usage try to identify areas where they can save money.

MATT

24:49 Like a consultative partner.

PHILIP

24:51 Right. So, you know, Kevin's working with these funding groups and they're talking about setting up different companies that would fall under the HB umbrella,

MATT

25:18 So, and I'm glad you broke all that out for me if, regardless of what happens with us if we go to a second data or not based on everything I'm hearing here, you guys are absolutely gonna want to see a demo of service trade because you, everything you're trying to do is exactly what we were designed for. But if you take nothing away from our conversation, but this here, it is the perfect all in one is a mythlogical fairy tale unicorn that simply doesn't exist. And if it did, there wouldn't be companies, thriving companies like service trade. I, at service tighten is done well in the residential space and other best of breed things like, you know, CRMS companies like Northboundary, and all the other ERP, because from a semantic standpoint, you can't get all of your laser focused tools that are intended for all these different purposes from one single provider from one vendor. They have limited R and D budget. And they, if you cast a wide net, you've got a, you know, an inch or sorry, you got a whole a mile wide and an inch deep. You've got a lot of capabilities, but it's a Swiss army if it's not doing a whole lot each specific department.

--- Accounting integrations ---

MATT

26:32 So what we recommend and where sophisticcontractors are moving to is what we call the best of breed approach. So it's about investing in modern user friendly cloud based software with open API that talk to each other. So you can connect and build a technology ecosystem through integrations. So for example, if you guys take a company that does Construction, you might have a cloud based ERP system like Sage intact with open friendly apis.

--- Accounting integrations ends ---

MATT

27:03 You might have a Construction module like pro core, something like service trade on the service side. Maybe you got Salesforce for a CRM and all of those can be woven together through those apis and integration that is gonna give you the greatest flexibility moving forward because you don't know what technology might exist in five to 10 years, right?

--- Accounting integrations ---

MATT

27:22 So if you lock yourself into an all in one, you're closing off all those doors before you've even that point. So that's my recommendation that's why the ones that you've looked at so far are not all in one. They're like service tighten and BuildOps. They're service modules that plug into an accounting system that's where you're gonna find your best technology. Is this modules like that? And we're the same. We'll never be an accounting system. We have no intentions to be, let the accounting people do what they do best. We're gonna pour all of our rand into commercial service management. So that's the biggest piece of advice I can give you regardless of where you guys go there. The other question I would ask is, what is the timeline for

something like this for you guys? How soon are you make a change? It sounds like to an ERP system and a service module?

PHILIP

28:17 Yeah, I mean we have to do it before the summer. So we're running out of time.

--- *Purchase decision* ---

PHILIP

28:23 So realistically, it's probably going to be more in the fall every week that goes by. It's leaning towards the fall. It would have been great if we could have done something, you know, beginning of January, February, in place, by April, beginning of may. But when we went to mobile, I wasn't here.

--- *Purchase decision ends* ---

PHILIP

28:48 They went on mobile logic, but they did it like June first to 21 and I think that was really a disaster because I've my experience, it always takes a company about a year to really get a new system or the belt where they really understand it... now, the INS and outs.

--- *Purchase decision* ---

PHILIP

29:14 So, yeah, it was, there was a lot of mistakes made that first year, first summer on mobile logic. So I think it's best if we don't even have a month or two before the summer before we even try to tackle.

MATT

29:29 Yeah. And that's pretty common against amongst mechanical contractors is everybody knows your business season is right around may through to about probably October for you guys near Houston. But it's like I always say there's two major undertaking with a software evaluation or implementation and that is the evaluation itself is looking at all your different options, doing the deep dive, narrowing it down, making your selection. And then there's the actual implementation. But those two don't have to be right on top of each other. So what a lot of our customers do. And I'm sure what other platforms you're looking at in the same way if you've already done your homework and you're researching it. Now go ahead and make your decision, sign up, lock it in, get it off your plate. And then usually at least in our case, you can hand pick your implementation started. So you can push it out to October when you know, things are gonna slow down. You don't wanna make the mistake of doing what some companies do where they're like, okay, we ran out of time. We're not going to be up and running by may. So we're just gonna stop looking and stop doing this and we'll just table it for October when we're ready to start implementing.

--- *Accounting integrations* ---

MATT

30:34 Well, now you have to do the evaluation process all over again. So that's another piece of advice I would give you guys. I think you're still doing it right to be looking at these things right now. The other thing that I'll add is because we integrate with so many different accounting platforms and we have so many customers on different accounting platforms.

--- Accounting integrations ends ---

MATT

30:55 We have like I said, a lot of partners that are resellers of these ERP systems that work specifically with your industry. And we also have integration partners. So somewhere along the line, I'd be happy to get you in touch with our director of partner relationships to learn more about how you guys are using your accounting system, what your needs are. And then she just a little bit about her. She's a former reseller of accounting software and she's a former CFO for a plumbing company. So she knows about the trades. She's also got experience on the software side. And so she's connected all across the country with good partners for integrations and resale.

--- Purchase decision ---

MATT

31:37 So happy to get you in touch with her, set up a meeting where she can point you in some good directions for that stuff. And then of course, we're able to speak with how something like that integrates with service trade and what your options are there.

MATT

31:53 Yeah. So as far as zooming in a little bit now, this has been extremely helpful context on the company, the direction the timeline... as far as the service management system goes.

--- Purchase decision ends ---

MATT

32:08 And this is where I think we'll probably wanna hear also a little more from Ian. In the notes. I'm seeing that invoicing is a pain. I'd like to get clarification on that. I'm also hearing that po tracking or management is a tough spot for you guys too, but I'd like to get a little bit more of an idea of how mobile logic is impacting the efficiency of your service department.

MATT

32:37 Ian is with us. He's on mute right now.

IAN

32:45 Well, some of that, not all that's pertaining to me. What question do you want me to answer?

MATT

32:52 So you're in the service department. So I guess you don't have to give a point answer. But what is kind of driving you with this initiative for looking for a new FM? What, what's the wish?

--- Paper process ---

IAN

33:06 Ease of use for, I honestly don't have a real big issue with our system. My only issue is that everybody else can't figure it out. So I get bombarded with answering questions and trying to troubleshoot. So user friendliness would probably be the most. The prominent number one would honestly, a lot of other stuff would just fall into place if I guess it was more user friendly.

--- Paper process ends ---

MATT

33:35 Okay. I mean that's a good one to have the top of the list if it's easy, people are more inclined to use it and get more out of it. So, I guess coming, I'll ask more point of questions just because if you guys have been on mobile logic for a while, you may not know, you don't know what, you don't know, what's out there, for example, like one of the things that ServiceTrade does really well in our customers, get a lot of revenue generation out of it, is that process of quoting workout from the field.

--- Deficiencies ---

MATT

34:07 You know, tech finds a repair. They refer it back to the office and then somebody your sales team goes through and quotes that out, walk me through what that process looks like for you guys.

BOB

34:25 What... I'm sorry, maybe I misunderstood.

MATT

34:31 So, text are going out of the field, they're doing maintenance agreements and they're finding additional repairs. They come up to rooftop unit seven and they find that it has a bad compress, something that needs to be quoted out? What is the process for them relaying that information back to the office, getting a quote out to the customer? What's the turnaround time?

--- Deficiencies ends ---

BOB

34:52 Yeah. She... then send in or close proposal quote to be made, the service manager, get it to assigned, what sales mean? They do the estimate, put the proposal together. We'll give it to the account manager to deliver to the customer. It can be

anywhere from it just depends on how busy we are, but it can be anywhere from a day to weeks before we get it turned around... really depends on how busy we are at that time. We don't have an inside sales service manager, sell estimating.

--- Paper process ---

MATT

35:49 Okay. Is there any desire to speed that process up? Get more quotes out, get them out faster to your customers?

BOB

35:57 Cool.

MATT

35:59 I be.

BOB

36:00 Sales side, what their frustration is their frustration is not having any flexibility in the system to do things that they feel like they wanna do, like make a nice proposal.

--- Paper process ends ---

BOB

36:14 It's got a template in there and you can't do anything with the template. It's stuff that's uploaded already. You just gotta kinda follow away the way mobile logic has laid out. So if you look at, you look at that proposal versus maybe our competitors proposal, you know, we look at some of those, they look so much better. And before we used to do all in word, so we can make a look however we wanted to that's probably one of the biggest frustrations with the sales side. They just can't see, they don't have a way that... I do believe too, some of them... to speak to this.

--- Accounting ---

BOB

36:58 Some of the things we have, I... think when we put stuff into excel or download the system in excel, it's not very pretty.

BOB

37:13 Straight now.

MATT

37:18 Yeah.

PHILIP

37:20 Yeah, I mean, so mobile logic, I'm sorry, maybe I misunderstood Bob, but with mobile logic, it's a lot of the reports are they make create for Crystal reporting or Crystal reporting?

MATT

37:34 Okay.

PHILIP

37:36 And, you know, they never had this concept of, yeah, the customers are actually gonna use excel, but they do create using this Crystal reporting and which is very easy to move over to excel. So, one of the things I've been working with mobile logic and our contact there is trying to get a lot of these reports converted from Crystal to excel. You can get in excel, but it takes you forever to manipulate it to what you want it to look like. So that's where I was saying a lot of these other systems we looking at, they can put it in excel or refresh it correctly from excel. And, you know, there's not, so you can create your own reporting.

BOB

38:24 Not come.

PHILIP

38:25 I thought I kinda gotten around some of this with the Crystal reporting they have. They can create a power query type thing for you and you can connect tables and connect, you know, and put it into excel and it's you know, it pulls it directly from mobile logic.

--- Accounting ends ---

PHILIP

38:44 Is like, I don't know if I've just gotten knowledgeable enough about it, but there's some of the tables you go out there that they have out there. There's nothing in there. It's blank. There's no data. So, I don't know if there's something we're going wrong, but I probably need to go back and spend some more time with that, but it's just, I'm just not been happy with the reporting. Mobile, sic... know he's dealt with a little longer than I have. So, you know, he's gotten some of his reporting down but still, I think even with the new system, he could be a lot faster for him to.

MATT

39:28 You know, we're talking about trying to get real time data analytics.

--- Accounting ---

PHILIP

39:32 Yeah. Okay.

MATT

39:33 Guys.

PHILIP

39:35 By the time you get information out of mobile logic, it's all, I mean, it's you know, somebody else, you can give it to somebody else and they were like this is.

BOB

39:43 Right. You know, like...

PHILIP

39:44 Well, it was right when I pull it.

IAN

39:47 The biggest issue that HB has with mombologic is the amount of manual data entry.

BOB

39:55 Or...

IAN

39:57 Manual manipulation that you have to do in the system. It's not automated enough to that where they can just click the button and run a report or all the reports. You have to run multiple reports, pile into better edit it or export it into excel where we can actually then manipulate the data and actually see what we're needing to do with it from the invoicing side.

--- Accounting ends ---

IAN

40:19 A lot of stuff has to be manually corrected from the po side. There's multiple steps, manually going in and correcting and changing and updating things from the dispatching side to the transition to the text of the notes and everything you use to go in, the more opportunities that people have to go in there and click or have to do something as opposed to just run it by itself. The more opportunities they have to pick it up.

MATT

40:43 Yup. Yup. Creates more fault lines for stuff to slip through and opportunities for stuff to get transposed yep 100 percent.

PHILIP

40:54 So, one of the things that we're trying to address now is.

BOB

40:57 You know.

PHILIP

40:57 This is an estimated estimate amount by end, but it feels like we're missing about 300,000 in revenue from this text, not telling us to use their tools.

--- *Customer engagement* ---

PHILIP

41:09 So, you know, there's not an easy way to do that mobile logic. So, you know, where we're showing 30 percent growth. We could be, you know, 35, you know, it's probably not that high. We could definitely be even high.

MATT

41:24 You'd be surprised. You'd be surprised. And we find that with a lot of companies, there's you don't know what you don't know.

--- *Paper process* ---

MATT

41:30 So whether that's parts leagage, whether that is, you know, text, not listing tools or pieces on a job, honestly, a big place where people find additional revenue is through that pull through work process that there's more repairs that can be quoted out. But maybe it's you know, too cumbersome right now for the text.

--- *Quoting* ---

MATT

41:50 It's extra homework. So they don't capture the lower hanging fruit. Maybe you're losing quotes in your pipeline. You're not following up on it. So there's lots of areas that could be, you guys could be leaving money on the table. So.

PHILIP

42:04 Well, one thing before I forget while I'm thinking about it, another is a little different.

--- *Invoicing* ---

PHILIP

42:08 But so with mobile logic, we can charge finance charges for like, you know, like late payments. The only problem is we have to do it for every customer. It's all in one all or nothing and there's some of our customers we don't wanna do that.

MATT

42:27 You...

PHILIP

42:29 Know, with your system, can you do finance charges just for a particular customer? You know?

--- Purchase decision ---

MATT

42:37 So I'd have to unpack that a little bit more. That sounds like it would be something a little bit more on the financing side, you know, depending on what ERP went through, but I'm sure there's a way that we can accommodate that. We would just have to unpack that a little bit more whether that's not on the ServiceTrade side or not.

--- Invoicing ---

MATT

42:54 But typically what we say is that, you know, for your service operation, you know, something like ServiceTrade would be your record of truth for maintenance schedules like POS quote?

IAN

43:04 Quotes, work orders?

MATT

43:06 That sort of thing, but accounting is still gonna be, you know, for aging reports and outstanding, you know, in your ap, Ar, payroll, all that stuff is still gonna stay over there.

--- Invoicing ends ---

MATT

43:19 Service trade will communicate the information over there. But we just have to figure out what direction you'd be headed in with the ERP and figure out where, what's the best place to house that process. Now in service trade, you can have customer specific pricing contracts and mark up tables.

--- ST app contracts and pricing ---

MATT

43:36 So, you know, when you're building out your quotes and your invoices, you don't have to consult a, you know, an excel spreadsheet or pull out the calculator, but it automatically has those detailed markups per that contract that you have associated with that location or company. So there is some variability on our end.

--- Purchase decision ---

MATT

43:58 Okay.

IAN

44:00 Do you have like a demo? I know we've been talking and, you know, this is something I asked of Amanda, but I thought she said we would go over here. I actually have not seen. I mean, we got a full call from you guys, but I have not seen what your product does, what it looks like, what its capabilities are. I don't you know what I mean? Other than like the brief line card or whatnot? So when can I get an idea about that? You know, I'm sure. I'll have more questions say that will fix this or generate more topics of conversation. But, you know, realistically speaking, we don't know what the hell look.

MATT

44:37 That's a fair question. And that's where I was moving to as well. And I think we covered this a little bit. You joined a little bit late here. But the point of the discovery call is to show up, learn more about you guys, give you a little bit of information about us to make sure that we're a good fit versus showing up on the demo, finding out it's a terrible fit. And then all this time is sunk into showing you something you can't use. So this is kinda the first date, second date. The goal of this meeting is to schedule that actual demo so that when we get there, we don't have to do any of the small talk if you will the discovery stuff, we can jump right into the platform and just start showing you what ServiceTrade does and how it will help.

--- Purchase decision ends ---

IAN

45:14 So this will be an onsite demo then?

MATT

45:17 If you'd like an onsite demo, those are my favorite. You tend to get a lot more value out of it.

IAN

45:23 Gotcha. We, is this or where are you located at?

MATT

45:26 So, I'm in Raleigh, North Carolina. Our headquarters is in Durham, but I cover the state of Texas, Louisiana, Missouri, Oklahoma. So I'm constantly traveling out to actually. Houston is one of the places I frequently travel to. We got a lot of customers out there.

IAN

45:41 And how many total customers do you have?

MATT

45:44 We have just over 1,200 across the United States and Canada.

IAN

45:49 How many employees do you have?

--- Pricing ---

MATT

45:51 We have, I think around 200, we've been growing so much that number keeps changing. But yeah, I think around 200, I don't know. I don't have the exact number about the 10 at.

IAN

46:07 How long?

MATT

46:09 About 10 years. We just celebrated our tenth birthday.

IAN

46:12 And about how many of them are in like the tech or software development versus like sales or... engineering or something like that?

--- Pricing ends ---

MATT

46:22 To double check that as well. The last I heard, I believe at least a third of our team is on the engineering and development side, and then about a third to 40 percent is sales. And then the rest is like account management, admin and... what's that.

IAN

46:44 Support stuff.

--- Pricing ---

MATT

46:45 Yeah, exactly.

IAN

46:47 And what's your guys street rate for and how is the billing terms normally for the, for your guys services? Is it by user by license by per month per day per year? Not rate?

MATT

47:02 Yep. So our pricing is aligned with your money makers, your technicians, as we talked about earlier, we consider office in admin overhead. So we don't charge for them. You're just paying per technician license and it is per tech per month, it's billed annually. And we got three tiers. You can actually find our pricing right on our website as well?

MATT

47:24 So...

PHILIP

47:24 We switched to a outside payroll processor. Would you be able to take your system and take is really the technicians with their hours is the only ones that really most people are on salary. So, other than the technicians. So could you system take out their time like their time sheets?

--- Accounting integrations ---

MATT

47:48 What, what payroll system are you guys use?

PHILIP

47:52 In severity, what's that in severity we're using in severity?

MATT

47:59 So that's entirely possible. I know we integrate with other payroll systems. What it usually comes down to is does very, have the ability to receive imports because everything in service trade can be exported.

--- Accounting ---

MATT

48:11 We can even develop what we call service trade accounting connectors, which is just a fancy way of saying it's a recipe that can bulk export information, automatically manipulate it into the importable format of whatever your payroll is, and then plug it in. So it's a couple of clicks to batch import stuff in there.

--- Tech time tracking ---

MATT

48:31 But depending on your needs, we also have something that we call service time card that is, it has its own review process for technician time where you can, you know, have them submitted, you can kick it back with comments and also account for things like sick time, training, pto, and things like that. So we may also have some other stuff to help you guys with that.

--- Tech time tracking ends ---

BOB

48:50 Well, I think one of the things that may help... is, I think I noticed that you all have some customers here in Houston. Is that right?

MATT

49:01 Yeah, that's correct.

BOB

49:02 Is there a way to set up like we could have a call with some of them and see what the thoughts are about the system and have them talk a little bit?

MATT

49:15 Yeah. And, you know, that is actually the third nugget of wisdom that I'll give you regardless of what platform you guys are leaning toward insist on customer references because as smooth as a salesperson can make it look on a demo, you're gonna want to hear from the horse's mouth, a company that looks just like you and has been, you know, they've been through the onboarding, they can speak with after sales, support the impact that's out on their business. So we're huge advocates of customer references. Two things about that we usually will do the customer references further on in the conversation after you guys have gotten to service trade. That way you can make more of your time with those references, whereas we can answer a lot of the technical questions. So instead of you spending your time asking them those questions, you can speak more of the stuff that we can't answer, like how was onboarding? What is it like with the after sales report and stuff like that? So we're happy to do that. Two is a lot of our customers are kind of protective of service trade. They, you know, it's how they differentiate themselves from competitors. So if we do hook you up with references, chances are we won't be able to do it with somebody right in your backyard, but we'll make sure that it is a mechanical company that's similar size, similar values in, somewhere in the United States that's not necessarily in your footprint.

BOB

50:29 Okay. Now, a couple of mobile as users right here, they have whatever... but I understand what.

MATT

50:40 Yeah, yeah. Customers tend not to mind that they tend to get just as much value speaking with a large mechanical operation in, you know, Illinois or something like that. As long as you're still comparing apples to apples.

BOB

50:56 Thank...

MATT

50:58 Yeah, yeah. So, and you know, we'll go ahead and schedule the demo. From my end. It sounds like a great fit. Everything that you guys are talking about is exactly what we encourage our customers to do from, you know, having your own sales team

prioritizing growth, maintenance agreements, wanting something that's user friendly, wanting something that's flexible that plays with other pieces of technology. So just to give you a little bit of background on us, I know Amanda sent you some information but ServiceTrade was designed specifically for commercial service contractors and we started out in the fire in life safety space. Shortly thereafter. We branched out into the mechanical space because the workflows are very similar.

--- Type of work ---

MATT

51:38 You know, they have been action agreements where they find deficiencies, and quote those out. You guys have maintenance agreements where you identify additional repairs and quote those out some level of demand service where you're having to dispatch work orders to technicians, you're managing parts, and you're tracking complex systems, multiple complex systems at multiple service sites, under multiple different customers.

--- Type of work ends ---

MATT

52:00 So that's what we were designed to do. And the two things that we prioritize or our goal is to optimize in your business are your two most valuable resources. And that is your customers and your highly paid technicians. We want you to get the most out of those two resources. Everything else is back office logistics that 100 percent of our customers figure out. We can help with those stuff too. But the things we focus on are the customers and the technicians. We work with companies, anywhere from three to four technicians, all the way up to 500 plus technicians, all across the United States and Canada.

--- Customer engagement ---

MATT

52:37 We're all about helping you guys be more valuable to your customers and intern, grow your business. So that's just high level overview of what we are. What we do if you guys get a chance and can visit the website to get a little bit more information before our demo, that would be good as well.

--- Customer engagement ends ---

MATT

52:52 Otherwise, I think we have enough information for today to go ahead and schedule that for you. Would you guys rather an onsite demo versus a Zoom meeting?

IAN

53:08 51 way, half it goes in for me, the other for me?

MATT

53:12 What's that I...

IAN

53:13 Said 51 way, half 12, the other for me. Okay. I mean, I, it's easier I guess as a stop, go back, so on so forth. But if you'd be in North Carolina, I mean, realistically speaking, it's not like you're gonna give me the wheels to spear and I can just play around with it. So it's going to be watching in one way or the other, whether it's on this screen or in our conference room and doesn't make a difference to me more whatever Bob and Philip want to.

MATT

53:38 Yeah, I'll tell you the difference is usually in person, it's just easier to relay information and get a sense. And actually that is where I can put the device in your hands and you guys can walkthrough some stuff together. So generally speaking, people tend to get a lot more value out of the onsite meetings. And I'm constantly going to Houston. In fact... let's see. It looks like even as soon as next week... I've got a meeting out there. So looking at either Thursday or Friday of next week, we could set something up.

PHILIP

54:17 Yeah. If you're already going to be here, then I'm fine with, you know, in person, I just don't want you to schedule something and then somehow something comes up and we can't I don't want you try one out here just for us.

MATT

54:29 Yeah. Yeah. Yeah, that's understandable.

IAN

54:32 Yeah.

BOB

54:33 Available. I can be available on Thursday mornings afternoon. I have stuck scheduled for two o'clock on.

MATT

54:43 Okay. How about Friday is wide open for me?

BOB

54:47 I think I come to work on Friday.

PHILIP

54:53 Well, I might be off the couple of days next week just because of spring break. My boys are on spring break and... have say anything in stone yet. I just, I like the flexibility of maybe taking off Thursday and Friday, just on spring break. My wife usually wants to do something one of those days.

MATT

55:16 What we can do then is because I'm gonna be in Kansas City the following week, but what we can do is if a Zoom meeting works is a little bit more flexible for early on in the week for you guys, we can start there. And then usually people like what they see and it warrants a follow up meeting. And then I can always follow up on site with you guys when we continue the conversation. So I guess with that being said, how does Tuesday, the fourteenth or the fifteenth work for a Zoom meeting for you guys? Tuesday?

IAN

55:48 Days don't work unless it's later in the afternoon. You said Tuesday the fourteenth or Wednesday, the fifteenth? Yup. Wednesday would have to be after 12.

MATT

56:01 After 12 P. M. Okay?

BOB

56:03 I agree with that. I have to be on.

MATT

56:08 Okay. How about we can shoot for one o'clock on Wednesday, the fifteenth. How does that work for everyone?

IAN

56:18 Works for me?

BOB

56:19 Works for me.

MATT

56:22 Well, good. All right. So, I'm gonna make that for 90 minutes. It's possible. We may not use all that time but rather have it not need it than vice versa. And I will get that invite out to you three. If there's anybody else that needs to join that, just let me know and I can add them with their email. Other than that. Any other questions for me in the meantime?

BOB

56:47 Sounds good.

IAN

56:50 I'm good.

MATT

56:51 Very good. Well, thanks, gentlemen for your time. It was a pleasure learning more about you guys. And I look forward to continuing the conversation on Wednesday, the fifteenth at one o'clock central. Thank you.

BOB

57:04 Thank you. Bye.

MATT

57:05 Right. Gentlemen. Keep having a great day.

PHILIP

57:07 Bye.

The End