



# ServiceTrade Demo with The Waldinger Corporation

Chris Kidwell with The Waldinger Corporation  
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## Participants

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# Transcript

*"This English transcript was generated using Gong's speech-to-text technology"*

CHRIS

0:00 Michael?

MICHAEL

0:01 Good afternoon. How are you? Good. Are you feeling sick at all? Chris? No, is break sick and I felt like crap this morning.

CHRIS

0:12 J. Sec.

MICHAEL

0:14 He is too. So, yeah, I'm thinking we all got something at that show, so that, that's why I was asking you. I wonder if I passed it to you and Tonia?

CHRIS

0:21 No, I'm good.

MICHAEL

0:22 It looks like Derek joined us.

CHRIS

0:24 Derek, are you there?

CHRIS

0:31 Derek, can you hear us?

CHRIS

0:39 Like he's muted, yeah, yeah... I...

DEREK

0:46 I'm figuring it out. Can you hear me okay?

MICHAEL

0:49 We can hear you now.

CHRIS

0:53 Got you now?

DEREK

0:55 How are you guys doing?

CHRIS

0:57 Good. How are you?

DEREK

0:59 Good, good. I'm unexpectedly working from home today. I've got a little bit of the crud... that I got from my kids. So, in my basement.

MICHAEL

1:12 Yeah.

CHRIS

1:13 Michael was just saying the same thing. They were at a HR this past week. We were at HR and a bunch of us are coming down with.

MICHAEL

1:22 So...

DEREK

1:23 Yeah, we had a couple of people going to... say, right? Is that something different?

CHRIS

1:31 No.

MICHAEL

1:32 Two days prior, and then it let into HR or something like that?

DEREK

1:38 Okay. Yeah, a couple of folks down there in.

MICHAEL

1:42 Yeah, yeah, it was a good.

DEREK

1:46 Getting theirselves. Collected. Yeah, so.

CHRIS

1:50 Okay.

DEREK

1:53 So, you have a table set up there or something?

MICHAEL

1:57 We did, we did, there were quite a few of quite a few exhibitors, it was a huge show, but we had a big Booth set up in the software center, so it was nice.

DEREK

2:08 Yeah, my folks was, were telling me that there was like 45,000 people to be there or something like that.

MICHAEL

2:17 Yeah, that was massive much.

DEREK

2:21 Crazy.

MICHAEL

2:22 Yeah, I'll just tell you, Derek, I actually on the first day got lost in the show, like I was trying to find our Booth that I'd already been to and I had to go the guys and I was like, hey, I don't know where I am. Like, I don't know where to go, so.

DEREK

2:38 That's crazy busy wow.

CHRIS

2:44 So, hey, Dick, what I wanna do is spend the first half of this just kinda conversing a little bit, getting to know each other, getting to know wall diner. We have some history on past history here. So kinda know who you guys are and what you do. But fill me up to speed. I think our last conversation was two years ago or so. I'm not sure if you're familiar with service trade at all, but kinda fill me in on your role and get me up to speed on what's kinda going on over at wall diner over the last two years. Did you take two years ago? Do you recall or... let me go look back through my notes?

DEREK

3:29 Okay, me.

CHRIS

3:42 Mike.

DEREK

3:43 You... talked with the Mike Hutchinson from a?

CHRIS

3:50 Hang on a second. So... I think it was with you, yes.

DEREK

3:57 Okay. Yeah. Well, to get you guys caught up a little bit well, first of all, I'm the president of our service division. And so we have the one thing our side of the business. We have 14 offices in the midwest United States in six states and... oversee the service side of the business. So we have Construction also that is in only four of those, but in every of service. And that's really kind of how we divide up and go to market is we have a Construction president and a service president. Service is about the size of Construction. We were about 122,000,000 last year and our Construction was 350,000,000 last year. We also have a sister company in the southeast United States that has 28 offices. They're called WC services inc, and they are our non union business.

--- *Type of work* ---

DEREK

5:21 Whereas in the midwest, we're all union. So you put us all together. And then we also have a manufacture business in demoin, that's an offshoot of sheet metal Construction business that makes precision componentry for the egg implement industry. Primarily we paint a lot of our parts screen for John deer.

--- *Pricing* ---

DEREK

5:53 Then when you put all that together, we're about, we're budgeted to be about a 1,000,000,000 dollar company in 2023. We're on a pretty aggressive growth path. We've been on that since 2015. We started what we call plan B, which in 2015, we gold ourselves to do a 1,000,000,000 dollar entity now by 2025 and it looks like we're gonna do it a couple of years early. The service vision that I oversee specifically in the midwest in 2015 had six offices and about 150 techs today. Like I said, we're in 14 offices and we have about 425 techs in the midwest. It's been about eight percent organic. And the rest, I don't know what the hell the percentage would be, but it has been in, we've done eight applicants that have affected service in the last essentially eight years. So a lot of it has been the division. We over in 15 was 40,000,000. So we've essentially tripled in eight years.

--- *Pricing ends* ---

CHRIS

7:23 Okay. So.

DEREK

7:24 So... we are going ourselves to be on a new ERP and field service management platform by January of 2026. We think it's going to be an 18 month process. Once we make a decision... we are talking to a couple of different field service solutions right now. And next week, we're meeting with a consultant that moved us from 400 to back in 2004. So we're going to be talking with that same consultant next week and you probably know his name, let's see if I could find.

CHRIS

8:19 What was it before pent? I'm sorry.

DEREK

8:24 As 400. So we... we're meeting with Burger consulting... next Wednesday... to see what to see what they think about our ERP software search. Like I said, we used them before. I don't wanna say it was a great experience. I haven't I wasn't here at that time, but, you know, we're just trying to figure out how we make this switch.

--- Pricing ---

DEREK

9:01 You know, it is obviously very important in these transitions. We... when I started back in 2010, we had five, it, 2012. We had five it people. We currently have 73 on staff that manage all of our different systems, develop software solutions for us.

--- Pricing ends ---

DEREK

9:29 And we are adding another 15 this year as part of our build up to our ERP switch over that 2025 2026.

CHRIS

9:42 Okay.

DEREK

9:43 So that's a skinny. What did I miss?

CHRIS

9:48 What ERP options are you looking?

DEREK

9:50 We really haven't, I haven't spent any time on ERP because I think that's gonna probably be outside of my swim line a little bit. I've been focused on the field service solution, to that extent service trade, Gene, Oracle... service, tighten. BuildOps... don't know there's probably been five or six. We're actively talking with BuildOps. I have an update call with zone this afternoon and next one next week with service



tighten. We've pretty much ruled out Oracle... Microsoft dynamics... for different reasons. So we...

CHRIS

10:53 You guys do any residential?

DEREK

10:59 Yes, we do. And it wasn't intentional, for instance, we moved into north plat, we did an acquisition. So we'd have coverage in Nebraska. We moved into Dodge city, Kansas to get us western Kansas. We're in pure Illinois, and to get market share there on the commercial side, we inherited residential work. So it hasn't been a strategic decision other than we accepted it as part of entry to a given market... but.

CHRIS

11:44 I...

DEREK

11:44 Do it. Yeah. We did an act is springfield was... in the fall of 21 and they had a fairly robust residential division. And so we're in, we probably do 10 to 12,000,000 dollars in residential year.

CHRIS

12:06 Yes. Okay. So, fair to say less than 10 percent of your business. Yeah. Yep.

CHRIS

12:19 Okay. That probably makes sense. Why service types floating around a little bit. I suspect they don't have a lot of the I...

MICHAEL

12:24 Social stuff that you guys.

CHRIS

12:25 Probably.

DEREK

12:30 You know, they've expressed to us that they're wanting to commercial. So they've they're trying to evolve that way. Yeah.

CHRIS

12:42 Yeah.

--- Type of work ---

DEREK

12:42 They're they're pretty robust in their resident piece, but their commercial piece has for improvement the.

CHRIS

12:51 Yeah, they don't have the data model to handle the commercial side. They have a bunch of workarounds around the data model. Okay. Sorry. And I don't mean to speak negatively, and I probably shouldn't have said that out loud. So, just... my brain might be a little shot. I had a long week.

MICHAEL

13:13 It's it's Derek to put it in context, us and service tighten. We've always focused on the commercial side and are stronger there. They've done the residential and are stronger. It's just, you know, if someone's you told us you were 90 percent residential, I'd say definitely keep talking to them, right? It's just where, so.

--- *Type of work ends* ---

CHRIS

13:31 Yeah.

DEREK

13:32 Yeah. And it seems like... learned a lot about... companies like yourselves in the last year and a half that I've been learning about it and a lot of people have weird things to say about service tighten and it seems like they, a lot of their former employees are at other companies now, but I'm trying to stay out of the.

--- *Type of work* ---

CHRIS

13:59 Trying to strike lightning twice.

DEREK

14:01 Side of this. Yeah.

CHRIS

14:03 I'm trying to strike.

DEREK

14:07 You look familiar though. You do look, I think we might have talked before.

CHRIS

14:11 I think.

DEREK

14:12 So, yeah.

CHRIS

14:16 I think so. Yeah, yeah, you know, hey, and on a positive side, service, tighten does a fantastic job with residential stuff.

--- *Type of work ends* ---

CHRIS

14:24 And if you're in the driveway, you know, they get you into the driveway first time and they equip the technicians to upsell because they know it's the last time they're going to be in miss Jones driveway, and they do a fantastic job about that. And they're that's their mouse trap, that's their workflow.

--- *Type of work* ---

CHRIS

14:40 There's no argument about it. I send a lot of business over to service tighten. They're trying to come up marketing this commercial space. We got about a 10 year jump on them. So we'll see where it goes. What is your quoting side look like? So talk to me about... quoting PMS quoting projects. I mean, obviously the Construction stuff lives over on the Construction side of the world. What does that side look like?

DEREK

15:09 Yeah. Well, it's something we built ourselves because pentais not non existent. So we built a cool portal that pulls tabled information out of the back side of pentatou.

--- *Quote templates* ---

DEREK

15:30 Is because they don't really like to do that. It must be just tables that allows us to pull existing client information and use that for our markup structure. So, we built an internet based quoting tool and that's for our quick hitter service, you know, pull through quotes. I'll say, you know, for replacing a compressor or rooftop unit or whatever.

--- *Type of work* ---

DEREK

16:01 And that's been in place years now. We're down on that and making a field quote out of that ourselves. That is probably 90 percent that all the technicians to do field quotes, have it go to the office for approval and present to the client. And then on the plan maintenance or preventive maintenance side, we built... with our Canadian logic, a tool within.

--- *Type of work ends* ---

DEREK

16:41 For, so we partnered with a contractor out of peoria Illinois and tech who's in a peer group with us and built an estimating template in Salesforce. So our people that sell PMS, they're keeping all their data within Salesforce around prospecting content, and then they can flip that to an opportunity. And then they can create the PM proposal right there with the within Salesforce and send it over for virtual signature to the client. And then we send that electronically to our contract administrators, book the opportunity to pets maintenance agreement. So now on the Construction side, we just moved to quote soft.

--- *Type of work* ---

DEREK

17:40 We were in highlands for the piping side of the business. And then on the sheet metal side, I can't remember the name of it. But in the service business, we use quotes off a little bit from complex piping take off that we might be doing on the service side, but, you know, there's probably 10 people that have access to it. It's not very robust whereas portal there's people quoting, you know, every second of every day within that thing. So.

--- *Type of work ends* ---

CHRIS

18:14 Question question for you on with an ERP change, what is that due to your quoting tools?

DEREK

18:22 We don't know... we don't know if we'll retainer old or if we'll go with a new that exists in a new field service solution. Don't know. Yeah, I don't think we... I don't think we've made that.

--- *Type of work* ---

CHRIS

18:41 Okay. And what I mean, if you can split up your let's call him your revenue, let's split it up on for the service side. If you can help me understand your business a little bit more as well kind of break it down into what I call specialty projects or swamp out retrofit versus service calls versus PMS. Is it like a 30 30 30 split 50 40 20? What does that split look like? So maintenance contract?

--- *Pricing* ---

DEREK

19:09 Backlog is about 12,000,000. We're pulling through at five to one so that's the work that constitutes plan maintenance and pull through. But, you know, that pull through could be, you know, a half 1,000,000 dollar job too.

CHRIS

19:26 You got, you got to sell the contracts to get that half 1,000,000 dollar job, right?

--- *Type of work* ---

DEREK

19:31 Right. I would say larger projects is probably 30 30,000,000 that's stuff that might be between a half a 1,000,000... and a half, you know, short duration work, but maybe a lot of equipment, you know, a suite of a costco building replacing all the equipment on the roof or something like that. And then is probably just demand service that we don't have a PM tied to.

--- *Accounting integrations* ---

CHRIS

20:05 I can you?

DEREK

20:08 We, we've got a lot of that with... we do, our one client is Sam's club. Our number two client is cosco, three is walmart. So we do a lot of big box. We do a lot of work with service channel, karego integrations. We've been working on API and EDI integrations between pentaand service channel, which Pena sucks for doing that, but we do some integrations with it.

CHRIS

20:44 It's it's not pentaservice channel.

DEREK

20:48 Now panda doesn't like to share the shit.

CHRIS

20:51 Yeah. I probably spoke out a lot, pen is a very close system, but service channel is the way our director of it set it. He said it's like walking through a desert every time you flip over a stone.

--- *Accounting integrations ends* ---

CHRIS

21:03 There's a rattlesnake. It's difficult to deal with. I mean, you know, you probably know, marmic, they're in some of your same dirt on the fire protection side. They're customer bars, but they're navigating the service channel conversation as well.

DEREK

21:21 Yeah. You know, they make us have our sign this form that allows API integration.

CHRIS

21:29 Yeah.

DEREK

21:29 But they really don't disclose everything that's gonna be integrated. So, like with Sam's club, when our technician hits on site, it API to service channel and say on site. So the status is, are updated but it doesn't do GPS validation of that. So walmart won't you know, acknowledge that the guys on site but Sam's club will home depot won't but TJ will. So it's just a mess and we've tried to create a work around to get GPS validation by using our, you know, the GPS that we have in our vans or, and it always comes down to echo that they don't have any type of GPS verification on where the guys at it's just a mess.

--- Accounting integrations ---

CHRIS

22:22 Yeah. How much of your work runs through service channel or korego?

DEREK

22:28 Good question. If I take the monitor of all third party websites... wow, probably... 35 40,000,000.

CHRIS

22:43 Okay.

DEREK

22:44 Pretty sign... we have, you know, we have a strategic accounts team of eight that does nothing but make sure the third party websites are accurate.

--- Accounting integrations ends ---

DEREK

23:02 Yeah. So they're taking, they're looking in pent, they're over to service channel and updating data or Kareo and their account managers just validate data, you know, because that's really how you expand with those client big box clients as you below NTS, you know, your statuses are Crystal clear whether you're not, you can fix it or not. Sometimes it isn't as important. It's whether or not your shit is up to date in their web.

CHRIS

23:34 Right. So, is it a goal of yours and companies to grow that business or are you trying to get away from that business?

DEREK

23:45 We wanna.

CHRIS

23:46 Grow that. Okay? So you wanna take more of that off the street, you?

DEREK

23:52 Because all contractors hate it and that's it's less competitive.

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

CHRIS

23:59 Now, are they fixed cost in that for you? I mean, are you guys able to negotiate your rates or are they telling you what?

DEREK

24:07 Yeah. There's difference that they play, you know, some are fixated on labor rate here on markups, but it's less competitive for us because nobody really wants to play that game of updating these third party website.

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

DEREK

24:26 So a lot of times we'll start and we don't have the margins, we'd like we show them our value, and then... they pay us more, but they are some of our more profitable accounts. When you consider how many bosses they touch, you know, for 14 offices with home depot, everybody's doing work for them and you gain economies of scale of knowing how to play that game by having one account manager that gets it.

CHRIS

24:57 Okay. What does your sales staff look like?

DEREK

25:05 No... we're broken up. So we have a lot of people that sell. We have our traditional business developers. They only sell plan maintenance. And we have two managers that oversee 12 total business developers to just sell plan maintenance. And then we have about 18 project managers and project engineers that sell pull through work and those reports through different vertical. So they're not in the same group. And then our third segment that sells or our strategic account people, they're challenged with expanding the base of operations they have with their assigned account. So, you know, if we're doing 2,000,000 dollars a year with home depot, their goal is to grow that by a half 1,000,000 in a year, you know, get some more locations, get into different trades. So... we have a lot of different people.

CHRIS

26:10 Okay. Okay. So what, as you're going through this journey for software, toys, selection, demo process, etcetera. What are kind of some of the bullet points or sticking points that are important to you that the application has? So, what are your like kind of must have?

DEREK

26:34 Yeah. Good question.

--- Assets ---

DEREK

26:38 Multiple workflows are table stakes. So being able to, you know, a plan maintenance agreement to cosco, that may have 130... chest task items and Bob's that's got an ice machine, not have the technician go through 130 things to get to ice machine and have enough detail, you know, at the costco store to do them Justice.

--- Tech On-site ---

DEREK

27:09 API integration... is critical. You know, we, these demands that come from our clients around, you know, I VR, check in GPS verification, taking 15 fricking photos of the piece of equipment. You know, that easy for the tech to do in the field, you know, theoretically if on their iPad, when it crosses that geofence for the walmart, check them in automatically, you know, or when they leave their house, they're in route.

--- Tech On-site ends ---

DEREK

27:43 So auto statuses and making the tech life easier would be good. We currently have a quote portal. We have Salesforce. We have Pena, they call it the customer console. We have classic Pena, we have on base for tracking all of our documentation library. And we've got something else but we, you know, if you're in all those six different apps that you're opening to manage service throughout a day, minimizing that, I would say two two or three is also critical for.

CHRIS

28:24 Okay. So rewind in a little bit. You're talking about multiple workflows question for you on the tech side... in terms of kind of automating some of the check, the check in the GPS. And that's fine. That's easy. But the tasking piece, do you guys want more guard rails for the technician or less guard rails for the technician? Meaning hey technician, you have to check A before you can check B and you got to check B before you can check C or do you just want that list to pop up and the technician can go. All right. I gotta go C that's done now. I'm gonna go get B done that's done now. I'm gonna go down to M and click and that's done. What are your thoughts there?

DEREK



29:05 Well, you know, in a perfect world, I'd like to be able to have both where, you know, they got to go systematically through an order or they can have the option to skip around. We have it in into right now where we can put all the tasks in. But the problem, the product that goes to the client doesn't say any of that stuff. So we can have 132 check marks. And when we send the service ticket to the client, it says completed scope of work for maintenance doesn't say anything. Did you can't even put a say in there?

--- Forms ---

DEREK

29:41 So we're having to have this forms created that we've built in to create a checklist for them that the tech has to do separately, attach that to the work order to send it in. So being able to report on the maintenance that we did is important. I don't know if we've really arrived at how we need to do it systematically or haphazardly yet? Okay?

--- Forms ends ---

CHRIS

30:13 And I, you know, hey, I'm getting, you know, a whole bunch of notes. And now that I'm understanding, we probably are going to have to set up a couple of different calls now that I'm understanding a lot of your business and what you guys are really looking for. So, I mean, there's a lot in here that we're kind of unraveling and getting an understanding on.

CHRIS

30:37 Because I think some of this the hard part there, some of this is living in penta, which is gonna be a red come out of enta.

DEREK

30:47 Right.

CHRIS

30:49 Which is good, you know, hey, so just want to understand it. So I'm making sure I'm showing you the right things that pertain to your business?

--- Customer engagement ---

DEREK

30:56 Right.

CHRIS

30:59 What else? What else you have a customer portal? Do you guys have a customer portal? Is that something that's interesting?

DEREK

31:07 We do, but it only keeps two weeks worth of data. And so the clients don't like it. Therefore, it doesn't get used, but they can book service calls in it.

--- *Parts management (inventory)* ---

DEREK

31:21 They can see the status of their work, but it's only got two weeks of data. So it's not a lot of people who I'd say we have less than 12 clients that put their work orders in that way we built to.

CHRIS

31:43 Your inventory, process, parts, purchasing, procurement, management, consumption. What are those workflows look like? And what do you want them to look like?

DEREK

31:52 So, we don't currently have perpetual inventory. So it's basically just cost management in the southeast TC services. They do have perpetual inventory. So they're counting widgets in and widgets out. Specifically. I think they're going to continue to wanna do it that way. Pent does do perpetual inventory. But essentially, you know, cost goes into an inventory cost bucket and then through what the puts on the ticket ie... you know, rags or TV valves or whatever, then, you know, when the biller bills, it pulls that just cost out of inventory and puts it in the working process and it goes over to a, as a billing. So... I don't think I wanna go to perpetual. I think that's gonna take more overhead. And so I'm gonna hold off on that as long as I can.

CHRIS

33:02 That sounds good. Po process. Is that dictated by the office? Keep control of that, I would assume. So.

DEREK

33:12 Yeah. You know, we have levels of authority on that, you know, times of technician. I'll just use the work order number to buy a part out of warehouse parts, warehouse.

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

DEREK

33:24 We have LPS that come out of onbase. If you're gonna do something a little more formal that you need terms and conditions associated with. And then... it also has a formal purchase order that, you know, if you're hiring a subcontractor and something over a 1,000,000 dollars we'll use for that. But primarily is we're doing all local purchase and just using work order, we're using the work order number.

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

CHRIS

34:00 Okay. And quoting in the field is a big thing for you?

DEREK

34:09 I'll say it's big.

CHRIS

34:12 Okay. Okay. What are the other must haves?

DEREK

34:21 I'm learning the word customizable is very sensitive to folks like, yeah, so, you know, I've heard that it can be tailored or it can be set up a certain way or we can work together enhancements. But as close to customizable as you guys feel comfortable would be interesting.

MICHAEL

34:47 Configurable.

DEREK

34:49 Okay. That'd be fine too. I haven't count one yet one yet. That says customizable. And, you know what I've learned if they do, they're lying?

MICHAEL

35:01 The danger with customizable is you never know what direction it's gonna go. It's too broad of a too broad.

CHRIS

35:10 Yeah, right. Yeah. But, you know, we have clients.

DEREK

35:15 It companies crazy demands and, or, you know, criteria to continue to work with them. And, you know, I've been in this business for a long time and the more we just shove down on the technician because that's inevitably how we end up doing it. There's another requirement goes right to the tech more we can customize our field service solution or ERP to take that load off of them. The better this place is to work. And the better we differentiate ourselves from another contract.

CHRIS

35:50 Okay. Cause we've got a lot. We've got...

DEREK

35:54 Lot of texts that won't work for us because while you do work for Sam's or walmart have all these list of requirements, they'd work for us if it was just about the

work and not 15,000,000 requirements they have. So if we can automate that shit, take it off of them, we get the work and the people which is best of both worlds.

--- Pricing ---

DEREK

36:24 You know, like an example would be same is with a requirement that if you're doing a replacement project over a 1,000 dollars, you have to have five photos over 10,000 dollars. It has to have 10 photos and, you know, having something automated in there that says, okay, you do five photos for this one, 10 photos for this one. And as those weird things change, being able to update, that would be cool in the workflow.

--- Pricing ends ---

CHRIS

36:57 Yeah, that's tough.

DEREK

37:08 We...

CHRIS

37:09 Can get close. There's a lot of, we can get close with some of those specifics, but there's a lot of what is that happened in there that requires some of those workflows, can get sideways quick. It kinda goes back to, you know, the customization workflow. I was asking a little bit earlier in terms of the guard rails, what you describe or how you want guard rails for technician workflows that's kinda one of those guard rails that I was asking about of like, you know, hey, if you exceed 10,000 dollars, well, then I automatically need to make the technician take 10 pictures and you can get into some real strenuous workflows there because sometimes the opposite is true of like, well, you know, you just manage for the majority not the exception.

--- Type of work ---

CHRIS

38:02 Project work. So just talk to me a little bit about project work and what that looks like for you guys. You had mentioned to me, you do a whole bunch, you got 30,000,000 dollars in large projects that are half mill to one point five mill. So, I'm assuming that's a lot of swap outs changing out chiller or rteu, you know, you got maybe three or four guys there for a week type projects. Is that what that is?

DEREK

38:25 Yeah, that's pretty good. Some of that, you know, a rough suite that you're place in 20 units or maybe a couple of chillers or months units or something like that. We generally don't service business anyway, deal with aias and any weird forms. Pen is actually pretty good when it comes to labor, Aia and different, you know, documents that need to be submitted from a Construction purely standpoint. We probably deal with that, you know, five percent of the time.

--- Tech time tracking ---

DEREK

39:08 But projects are kinda all different depending on who we're working for.

CHRIS

39:13 Okay. This is probably going to open up a rabbit hole. But what does payroll look like for you guys? Are you running up through pets payroll?

DEREK

39:23 Yeah. Yeah. And we do on the service side, we do payroll every day. So at the end of every day, well, I think it's actually done in the morning... the work orders will come in after they're closed. And then we have a clerk that consolidates the payroll, allocates it to the different work orders. So theoretically we can Bill, you know, within a day for entered work order that, that's something that I think Kent actually does fairly well especially on the Construction side.

--- Accounting integrations ---

DEREK

40:07 And I've heard that from others too. That's why Sage can maybe wants to get in bed... with us because of their robust payroll. So.

CHRIS

40:19 Yeah, that's...

DEREK

40:20 That's...

CHRIS

40:21 Yeah. Yeah. That's I was gonna tell, you know, hey, you guys can make sure you have an impact on your short list of hers because they are using pentlas payroll because pets got a pretty nice mouse trap for their payroll.

--- Type of work ---

DEREK

40:37 Okay.

CHRIS

40:39 I don't know if they'll be able to handle the Construction side of what you guys have to do that's. I don't do Construction. We don't do Construction obviously, but for the service piece impact us and because now they're using pen to payroll. So home run.

DEREK

40:54 Yeah. And you know, our CEO'S vision is, you know, maybe have an ERP that could work with the divisions like mine, whatever front end field service they wanna use.

--- Type of work ends ---

DEREK

41:10 So if Construction wants to use pro core and we wanna use, you know, service trade and twist wants to use BuildOps, that the ERP would be able to take all the numbers and data and create financials off of that. So that's kind of the, I think that's my boss's vision that and not billions of dollars because of this switch over because he's heard a lot of our story.

CHRIS

41:38 So I can tell you his vision is fantastic. We fall in line with his vision... that's where software is going in terms of best of breed, right? You don't walk into a job site with a Swiss army knife anymore, right? You have a drill gun because you're a dry wall guy, right? So tool that you need to get the job done that you need. So we're big believers in multi breed. Best of, I call it best of breed, multi tenant solutions. Okay?

DEREK

42:15 Good. We're not crazy.

CHRIS

42:16 No, I mean that's what our premier customers are doing, right? I mean, that's why we have an integration with pro core that's why we have an integration with intact, right? We're now a partner with is out there because they do better on some of the, you know, video capturing things out in the field, right? It's just kinda going to find a tool for the job that you need to get done.

CHRIS

42:44 What else? What else?

DEREK

42:47 You know, we, there's a partnership between pentaaand XO, I and I like xy... but not the version you get through Pinto. It sucks. You can't really, it's like you're running two separate field service solutions again. So it doesn't make.

CHRIS

43:10 Yeah. Yeah. And I, you know, again, that's kind of preliminary, but I think the point there is partners integrations multi applications to get done. What you need to get done, beware of the all in one or those that say it's all in one because the two things that there is the one they're lying because there's no such thing as an all in one, right? And if they're all in one, they shouldn't support integrations. The second

piece there is, if they're all in one, that means they got you by the balls, right? And then they're just gonna start squeezing and it's going to be painful.

DEREK

43:46 Hat's where we got with pen and, you know, pent, I don't think would have made it without us back, you know, 15 years ago, whatever it was 10 years ago. So they were very, they were very attentive to our changes and enhancement requests. And now that Murphy and others are on it, they don't pay as much attention to us. So... I could stay between us if you don't mind.

CHRIS

44:15 You guys are becoming the red headed stepchild. I can say that.

DEREK

44:18 I run here.

CHRIS

44:25 All right. I think this is, this has been very helpful for me. We did not get into a lot of show and tell today. I got 15 minutes. I mean, I don't know what I can get into from the service trade shy side of show and tell. Now, at this point, do you have any questions for us? Specifically? Anything about us? I can kinda, I figured I would see. Yeah, let's see if you have any questions for us.

DEREK

44:49 Okay. Let's talk about ownership. How long you've been a rent... you know, profitability tenure, that kind of stuff.

CHRIS

45:03 Yeah. So let me.

CHRIS

45:09 Share my. So don't think I need to, yeah, let me do this. Hang on a second.

CHRIS

45:19 Where are you? Where are you looking for? I can pull it. Okay. There we go. So just to kind of give some talking points so you're not staring at my face anymore. So, so founded in 2012, we came out of a company called... dunwell was the company name where our cto and CEO Billy marshal and Brian Smith. I founded service trade. It came out of that before that Billy Marshall was over at red hat... very instrumental in getting red hat to what red hat became.

--- Dispatch ---

CHRIS

45:56 He was running the sales team over there. Anyway, went over to done well, met with Brian. They created a software for Don. Well, ended up getting bought by cents in the process that because of the software and what the software did for Don, well into done. Well, cool.

--- Dispatch ends ---

CHRIS

46:15 What do you guys want to do with the software application? We're not a software company site here's. My two weeks 1,000,000,000, Brian left and created service trade and that's kind of how it spun off. We're now 10 years old, we've got over a 1,000 commercial contractors in North America. I'd say 98 percent of them are in the states... 30 percent in the mechanical electrical, plumbing space, 60 in the fire light safety space. We are growing significantly faster in the mechanical space over fire life safety. So I suspect in the next year two, those numbers will be flip flopped. Only reason why fire life safety is bigger now is that's kinda where we found ourselves to be very successful with the inspection scheduling and pull through revenue piece. So fire life safety and inspections on a, because it's all government driven as well. We're over 200 employees throughout the United States.

--- Type of work ---

CHRIS

47:15 And like I was saying is we believe in the best in breed applications, right? So we're not going to be a pro core. We're not gonna do your Construction stuff. Ours is basically what we talked about today, small specialty projects, turn and burn service polls, huge focus for us is on the preventative maintenance business.

--- Customer engagement ---

CHRIS

47:35 We want to empower you guys to go sell PM. And then we, our best workflow or one of our flagship workflows is what we call the deficiency loop, pull through revenue. We want to empower you guys to capture that, pull through revenue, get those quotes back out to the customer and turn that the fact you guys are getting five to one is fantastic.

--- Customer engagement ends ---

CHRIS

47:57 So we're strictly in the commercial service space. So I think you're alluding to this a little bit with some customization tons. But I would argue that most of your workflows are going to be fitting all of our customers. So there's some stuff that you need to see. It probably makes sense for all of our customers as well in this space that's probably only focus on the commercial service contractors. So we don't do any residential. We're not going to pretend to do residential. We're not going to go into the residential market. We're not gonna do any pets control. We're not gonna do any landscape management, anything like that. It's strictly commercial service contractors. So fire life, safety and mechanical, right?



--- Type of work ---

CHRIS

48:33 We were just hitting on your projects and services, managing all that, managing your change orders on the small stuff... all your projects and services. So the other thing that we will do is manage your equipment life cycle. So we have a product called Northboundary which I'll talk some more about in a second, but that's a quoting tool for your small projects, some of your bits back work.

--- Type of work ends ---

CHRIS

48:58 And then your PMS, you'll quote your PMS through Northboundary, if you choose to. And then you will manage the life cycle that. And then we'll tell you how well you guys are doing on your contracts, profitability on contracts, excuse me, and so forth. So obviously we acquired Northboundary. It was the engineer behind Northboundary. He worked for Siemens for several years. I think he was over at comfort systems for a couple of years and he developed this quoting tool for quoting out your PMS that you guys probably have something similar in house. But I think with Pete going on, this might be a conversation point here.

--- ST app contracts and pricing ---

CHRIS

49:38 But this is, you know, hey, I gotta quote out a 20 ton re unit. Okay. It's gonna cascade down and say, hey, you need four quarterlies, you gotta use X filters. You gotta use I belts plan on eight hours of visit, blah blah and then you put in your price and it'll hit your mark up roles. And then service trade more or less becomes the execution platform for actually executing on all of those PMS and tracking your costs and all of your consumables against that. And then at the end of that contract, we'll report on it, see how we did, how much pull through revenue?

--- ST app contracts and pricing ends ---

CHRIS

50:10 Did you get all of those things? The other side that Northboundary has is a CRM platform piece to that. So managing some of the sales folks through Northboundary, who's quoting what a sales funnel if you will... parts and labor. So this is going to be another conversation that I think we'll have to figure out a little bit down the road.

--- Parts management (inventory) ---

CHRIS

50:35 But just so you are aware, we have an entire ledger system built underneath the service trade. So depending on how you guys are gonna want to handle your inventory management piece and po. Processes. And I forgot the naming... the sister company down the southeast. We have an entire inventory management system that's built on a ledger system. So if they want to continue to run their inventory, great, we have capabilities to do that. The important piece there is on a ledger

system. So... we'll be able to reconcile handle all the POS et cetera. So the other thing here I think that's somewhat of a good talking point is dashboards, right?

*--- Parts management (inventory) ends ---*

CHRIS

51:17 And so we kind of create this argument that we want you guys to build these in terms of we want to hear your KPI. I'm not gonna tell you how to run your business. I want you to tell us how you run your business and what you need to see to run your business.

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

CHRIS

51:33 And we'll build out these dashboards for you based off of your KPI'S and then these guys, these dashboards, the live that are just living inside of service trade you guys would just have. And as things change, these dashboards or these reports will automatically get updated, I think the important piece here is they're your KPI'S right? So I'm not gonna come out and put a dashboard on your account and say this is what it should look like. That's how you should run your business. You guys tell me how to run the business. So that's kind of service trade and a quick, you know, elevator speech if you will.

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

CHRIS

52:09 On what we do, we are backed by a private equity firm called JM I, they're headquartered in Baltimore. I'm sure you can find the public notification, but we took out a round of funding last year for roughly 85,000,000 was our second round of funding. First round of funding was by a company called frontier out of Raleigh for 35,000,000.

*--- Pricing ---*

CHRIS

52:41 So...

DEREK

52:41 You're on the series B? Yeah. Yeah. Okay. And profitability, probably a little too early to determine where you're at there.

CHRIS

52:53 Yeah... I think that conversation should be had with our CEO who I'm happy to bring into the, you know, probably conversation two or three. Okay. I think, you know, we're over 100, we're over a 1,000 customers. I think the average customer spends about 25,000 annually with us.

CHRIS

53:18 I think the important part there, I think we brought on 75 new customers last year with a 95 percent successful rate of implementation of less than four months. Now, obviously, you guys are gonna go beyond that. You're already planning for an 18 month implementation. But I think the important part there is 95 percent successful rate. Our retention rate is like 96 percent. Our net retention rate is 123 percent. So, meaning if we did not sell a new customer today, the company still grows 23 percent year every year.

DEREK

54:00 Nice.

CHRIS

54:04 So, I think that... you know, we're past the infancy stages, we're past the startup stages?

DEREK

54:15 That's very interesting. Do you have any clients that are of our similar size?

CHRIS

54:26 Yeah... vac, Virginia sprinkler company. They have roughly 500 vans, 550 vans. Kilgore down. They're out of Texas... 475 500 vans. Now, kilgore marmic is rather large one as well as up in Boston.

--- Pricing ends ---

CHRIS

54:50 They got 150 guys, so not quite as large as you, but they're they will cover as much geographical territories. You, they're 150 guys strictly in Boston.

DEREK

55:02 Yeah. You don't have to travel very far. We got to travel a long ways to get that many clients and the men.

CHRIS

55:06 They, they go five Miles. It takes them an hour. You go 60 Miles. It takes you an hour.

DEREK

55:13 Yeah. Well, yeah. And you just still not going to get the population density of the, they have. So.

CHRIS

55:19 No, we.

DEREK

55:20 Drove, we drove 11,000,000 Miles last year in my division.

CHRIS

55:27 Nice.

DEREK

55:28 And there's a lot of Rick and deer out there to biggest hazard. Not.

MICHAEL

55:33 How many deer.

DEREK

55:34 Strikes...

CHRIS

55:36 We...

DEREK

55:37 We probably had 21 year.

MICHAEL

55:40 Wow.

DEREK

55:41 You know, and we train our folks. You don't veer for deer, so square up and plow it, you know? So it seems like every week I'm getting a video of a hoofe sticking out of a grill or something like that and there's another one.

MICHAEL

55:57 Yeah, yeah. I know it, I know I cover Illinois, Iowa, Wisconsin. So, I know what those drives are like and all the deer out there, so.

DEREK

56:05 Right. Yeah. Bastards.

CHRIS

56:10 So... Derek, I firmly believe ServiceTrade as a software platform can help you based off of our conversation today. I honestly believe that, believe me, I have a lot on my plate if I didn't think so, I would tell you and I would go Chase other things.

--- Purchase decision ---

CHRIS

56:30 So I think that we can firmly help you. I think the question I have is kind of what do I need to do to start the process of earning your business right? Does that a dog and pony show with just you through a Zoom? Happy to come out to your office?

--- Purchase decision ends ---

CHRIS

56:46 If we can get a bigger audience? I'm happy to bring all the guns out to your office as well. I think that we have a lot to cover in terms of some of the project management conversations, the po processes which we don't really have answers for right now, the quoting proposal. So, I mean, we have several hours worth of stuff to cover to show you.

--- Purchase decision ---

DEREK

57:09 Yeah. Well, I think we're still figuring out how we're gonna make this decision. And I would appreciate maybe a check in every couple of months and give you an update on where we're at in... developing our scheme for making a decision. You know, our plan is that each one of our divisions is gonna have an it specialist assigned to them... for a while to understand how the best works.

--- Purchase decision ends ---

DEREK

57:48 And then also can speak the stuff you guys speak. And so we'll have a specialist ending Construction one representing the southeast representing my division that is through this process on all the intricacies... so that I can tell them, hey, I need this widget to move over there and they can say the API, you know, and you guys know what the, so as we develop those teams and we get closer to our, how we're gonna measure a decision. I think we just need to keep in touch. And then I envision, you know, we're probably gonna have a screening process in which we say, okay, we want service trade and we want BuildOps and we want zone. You guys are the final three, come in and show us, you know, give us a dog and pony show and that will help us.

--- Pricing ---

DEREK

58:53 So, I think that that's my sense on how it's gonna go. We haven't published that, that's just what I'm thinking.

CHRIS

58:59 Okay. Okay. So then I think, you know, next steps for me is we touch base in about 45 to 90 days, yep. And, you know, because I think you're right?

--- Purchase decision ---

CHRIS

59:12 I think this is going to be a long process. It sounds like you guys are doing your homework, which is fantastic to hear... you. I think you got all the right players, which is, again, is fantastic to hear... but I think it's gonna be a process. So I think that's fair then. So end of March, I think I should probably reach out first week of April.

--- Purchase decision ends ---

DEREK

59:35 Yeah, yeah. Just shoot me something and we'll get it a spot on the calendar and just touch base. We'll talk about what's going on in the market and where we're at in our process and.

CHRIS

59:46 Sounds good. I'll...

DEREK

59:47 Just keep in touch.

CHRIS

59:49 I'll throw it out an invite just to put it on your calendar. So we'll block off 30 minutes. We don't need a full hour. We'll block off 30 minutes, and that way we just have a placeholder, so we don't forget. And then we'll see what happens with that next conversation.

DEREK

1:00:03 Okay. Yeah, I appreciate it. Are you in Baltimore Chris?

CHRIS

1:00:09 I am.

DEREK

1:00:10 Okay. I kinda looked at the map a little bit behind you. There. It looks familiar. I was stationed at abort improving ground for a little while when I was in the army. So know a little bit about London Baltimore, but trying to stay out of Baltimore as much as possible. It seemed like kind of a little bit of a rough town now and again.

CHRIS

1:00:29 Yeah... we go fishing up that way all the time and I hear them blasting at the proving rounds all the time.

DEREK

1:00:37 Yeah, yeah. Yeah.

CHRIS

1:00:39 So, I'm on the eastern shore, right over there. Okay?

DEREK

1:00:44 Gotcha. All right.

CHRIS

1:00:47 Cool. It's...

DEREK

1:00:48 Really great to meet you guys. Sounds like you guys got your shit together and look forward to talking more in the future.

CHRIS

1:00:54 Yeah, I hope so.

MICHAEL

1:00:56 Keeping in touch and when the timing's right? We'll dive in and kind of really go through the details. So.

DEREK

1:01:03 Perfect. Michael. I, thank you.

CHRIS

1:01:06 We'll see that. Bye. Bye. All right.

DEREK

1:01:08 Take care, bye.

*The End*