

ServiceTrade/Haynes - Agenda Call

Maribeth Steffen with Haynes Mechanical Systems, Inc Recorded on 4/12/22 via Zoom, 38 min.

Participants

SERVICETRADE

Maribeth Steffen Field Manager

Lauren Rice

 $Director\ of\ Enterprise\ Sales$

HAYNES MECHANICAL SYSTEMS, INC

Troy Greenwood

Consultant

OTHER

Patrick

Jake Z

Topics

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Transcript

 $\hbox{\it ``This English transcript was generated using Gong's speech-to-text technology''}$

MARIBETH
o:oo Hello? Hey, how's it going? Yeah?
LAUREN
o:02 Good. You sound better?
MARIBETH
o:04 Yeah, I feel better today. Alright. Let's see here comes Jake.
MARIBETH
0:19 Hi, Jake.
JAKE
0:20 How's it going?
MARIBETH
0:21 Good. Nice to see you.
JAKE
o:23 You too.
MARIBETH
$_{0:26}$ We're still waiting on Troy and I think Patrick from your end is joining as well correct? Right?
MARIBETH
1:10 Hi, Troy.
TROY
1:11 Hey, how are you?

MARIBETH

1:13 I'm good. How are you today?

TROY

1:14 Good. I'm glad it's among people.

MARIBETH

1:18 Yeah, I saw jakes here already and I saw that Patrick accepted the invite as well. I also invited some other people, Lauren rice, who is our director of sales for the west coast?

LAUREN

TROY

1:33 It's meet you all.

TROY

1:35 Let you introduce yourself.

JAKE

1:38 I don't know you. Did you just did a great job of introducing.

MARIBETH

1:41 I like it.

JAKE

1:42 Makes me feel special.

TROY

1:43 Yes, Jake is awesome. And he, so he's making me do it.

PATRICK

1:47 I'll do it.

TROY

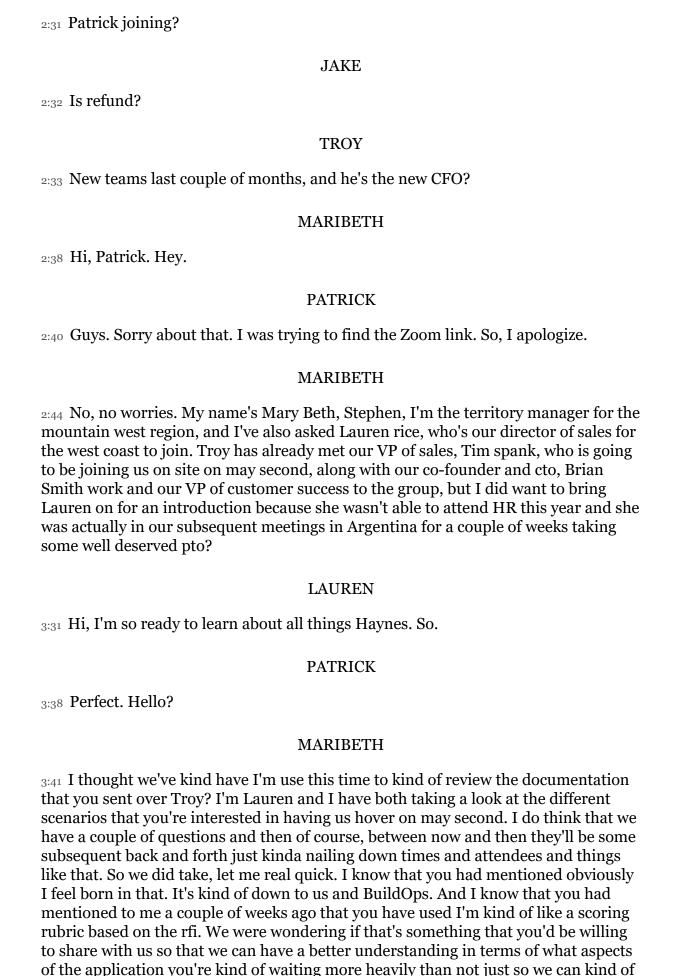
1:48 Here's the operational analyst here. So he does all of this stuff on the operation side, and it's also helping make the magic happen. Have everyone in the right room at the right time for this onsite? Demo?

MARIBETH

2:03 Yes, Jake, Troy told me last week, how grateful a terminally grateful he was due for coordinating the team for the onsite meeting?

JAKE

Yeah, I'm Troy is still in my good graces. I'm like mister Jeremy orchestrates yet to call me his secretary. So... hello. Hey, that too much, but... you're the president?



use that. And in terms of what to focus on during our meeting.

TROY

JAKE

4:54 Yeah. I mean, I'll be honest, we didn't...

TROY

4:57 Use it as a kind of have a, I like to do when I do my estimating personally, this in person, I like to do kind of what is my top billing and then like a bottom up estimates. So it was just my version of I didn't so there was no waiting. I just kinda average the scores but I kind of, I think I hit the couple of things one, no BuildOps has projects built out and they can demo it. You guys are building that. So that's one thing that you guys?

JAKE

5:24 Uncovered that I'm...

TROY

5:25 Sure. And then I think the other big difference was and it was hard to tell and we can cover this in the demo but it felt like the forums app was and I told you our reaction here Haynes from hear the word app, it means like a total different experience and total different place somewhat loosely connected at best. I don't think it's that case, but I think that was some of the things that we saw whereas let's compare you to build out since what we're doing, they present one product, no other apps, one thing, no modules, you have everything kind of view of things. And there's felt a little bit more like there's a potential for separate. So I think those are the big things that I think the team would wanna see. In addition to. I think if you read our scenarios, we tried to spot, I would hope we get a majority of the questions you'll be asked even in a bike that people want to see. Like how do we handle? Not even in our first one, right? Like how do you, how would we do a comprehensive here's? How we do it today? But one of the things we've been talking a lot about, well, that's how we do it today. Just a quick on how we could comprehensive agreements today is basically and our tasking have an emergency tasked with a set number of hours for each piece of equipment that we then some up apply a cost to.

--- ST app contracts and pricing ---

TROY

6:52 And that gives us a cost margin to and it gives us the quote basis that's how we do comprehensive today, which is an interesting way to do it personally. But that was how we had to do it in your system and we would love to say, well, this is how you do it VS, I would recommend... those kinds of things I think we want to see.

MARIBETH

7:16 And that's all through quadro, right?

LAUREN

7:20 It creates the...

Quote will be the word like the proposal and it quadro, like it basically, it connects to key to act and you literally add each piece of equipment with an equipment ID with the tasking and it takes to the ball tasking from you to act in the quadro with even the months and the hours and the stuff. I mean, there's like things that take like point to have an hour which I don't even know what that really is, but like that's how it works and then it sums everything up. And then that gives you... it gives you hours and it figures out the internal type of labor you're gonna use and then it most buys those, and then you add a margin and that gives you your final price.

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

MARIBETH

8:09 And, and I know that we have talked, I'm in our previous conversations that, you know, service trade is fundamentally different from BuildOps in that we do have a suite of products versus an all in one approach. And that is one of the reasons why I think that having our co-founder and cto, I'm Brian Smith work on site. It's gonna be helpful in terms of, you know, what was the motivation behind taking that approach being tracked versus trying to be the all in one provider? Because the fact of the matter is when these companies do try and go out and do everything, typically, they're falling flat in one area or another. So, we do have a tight integration between all of our suite of products. And yeah, I mean, of course, we know that there's gonna be some questions about that during the meeting as well.

TROY

9:07 Yep. And I think to me there too approaches to solve the same thing and both have pros and cons and we'll just hear both sides, so.

--- Accounting integrations ---

JAKE

9:17 Sure. I'm just.

TROY

9:17 I'm just giving you yet, but our history, I think the point that mentioned in our history when you say a separate product, it means a completely separate thing that maybe loosely connected... like for example, I'll pick on our current integration. We have now between we use this thing called extra. We've talked about that, right?

--- Accounting integrations ends ---

PATRICK

9:38 Well...

TROY

9:38 You know, the only thing that shared between kind of the act and X, why is the work order number? Would you don't know what equipment on it when you're an extra Y? You just said there's other thing do your thing and then you gotta close them

in the right order or things don't work out, right? That candidate, right? That's it, that's what I would call like the technical that it's like loosely couple of... they're together but not really right? And so that, that's just, I think some of the history behind when people hear that and I don't think that my experience, it's not bad. It's just a thing. So you just gotta know you gotta know what kinds of integration risk and I think you guys can definitely cover that.

LAUREN

^{10:22} I got brought up a question from my perspective since I'm a little bit newer to this evaluation. I just wanted to confirm the current text stack and for what you envision kind of keeping around and what my ultimately be replaced, I do understand that you may be replacing your accounting system at some point too.

TROY

10:48 Yes, I think, yeah, I think we will be doing that. The, yes we're posting the cans mean that's part of the, you know, GP going away, it's part of the motivation to do this at this time in anyways, or one of the motivation for the only one, but one of the motivations.

--- Accounting integrations ---

TROY

^{11:05} So, yeah, we're looking at GP and all the accounting things that's around it if you to act. And it's one, two three five products signature service, time, track, job, cost schedule and mobile tech. And extra Y is on the we'll see. But maybe most like I don't know, I don't even know there's different functionality. I think that just has to be part of, you know, to me once we select the ERP and the accounting system, that we can start figuring out exact details for that stuff as we designed the solution but it's a little, it's a little hard to say we can just get rid of something other than the things I've already mentioned that until we do that, you know, that design and understand direction.

LAUREN

^{11:57} Hi, I'm pretty confident X, so I may be unnecessary moving forward to kind of knowing what I know about them. I noticed on your document as well. Reporting was something that you were integrating. What do you currently is using like tab?

MARIBETH

12:17 Hello?

TROY

Yeah. Yeah. We use Tableau right now and it's relatively new here. Using it. We use also, I'm you know, a lot of sequel server report services because that's what you had a GP signature checking a lot of that, but we are definitely looking for improvements there.

12:42 Okay. And then I saw mentioned of curry go it's that leads me to believe you do national account work other than they are you using any third party portals?

TROY

Yeah. So we don't use griego, just some of our customers require us to use to integrate it to basically work with pretty go to do stuff. So that's just a, you know, hey, is that possible? That probably wouldn't be of things one thing, but that would be just something that business? No, I'm not aware of any other things like that, but no big building vendors and those tend to come up with new things all the time like that. So I wouldn't be surprised more calm bye.

LAUREN

^{13:25} Yeah. I know we've got a connection with like service channel for instance, I'm not that query goes one of the one that we connect with. That, but I was curious to know.

--- Accounting integrations ends ---

TROY

^{13:37} And I just, I do that and that's one of our bigger accounts that requires that and it's not anything we do today. So it's just stay with this the possible kind of thing in the future.

LAUREN

okay. Alright. That was my question about your current text stack. Sounds like some of that is pretty isolated now because they're not like integration. All of our integrations with our open API are really tight, which out we'll definitely spend some time kind of talking through and a couple of weeks, I did have a question. Please my ignorance here. I was hoping you could define a few terms for me on your mind. She, what is Geo?

TROY

14:25 It says geography.

LAUREN

14:27 Okay. I thought so that I didn't know if that meant something different to you?

TROY

14:31 And it's on that page. I think it's page for it lays out.

MARIBETH

14:35 Yeah.

14:36 Yeah. So I should... call it out and they're equipped for Joe is instead of geographies but.

MARIBETH

14:45 Does it align with four different offices that you guys have? Okay?

TROY

^{14:51} And so, so, therefore this for Joseph geographies in Denver, north, Colorado south, hold on a unix and each one has a GM, but Denver is by far the biggest by like a lot like seven X.

JAKE

15:09 Okay.

TROY

^{15:09} Mean, it's so Denver is way bigger than any of the other geographies and also tends to be the headquarters and we're a lot of this like this project is originating our Denver and then we'll bring in GMB and functional geodes throughout it. But it's starting here and that's kind of tends to be how big stuff like this.

MARIBETH

15:35 And, and since you're mentioning the GM is the GM and the supervisor role one in the same. Okay. Now.

TROY

^{15:44} No, no. So GM is responsible kind of for the business of that, the business of that deal predict like profitability sales, all that delivery supervisor there's different ones. But the main ones are called service supervisors and their charge.

--- *Type of work* ---

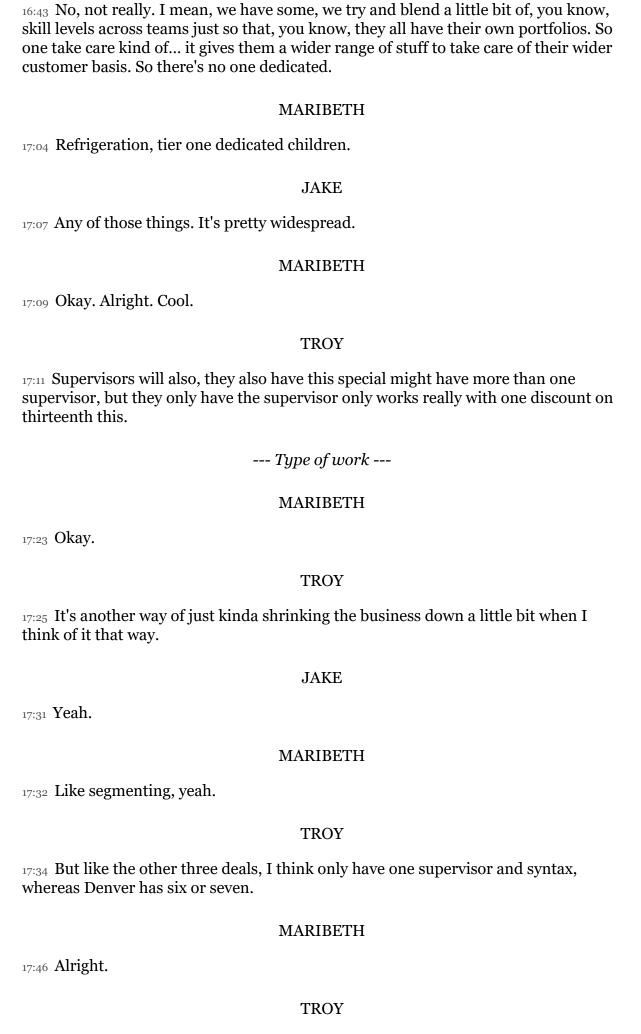
TROY

They have a basically a team of service technicians and they basically have a group of customers that they do all that service. And by this mostly means preventative maintenance and our base contracts, but also includes teen quarter repairs and they're just managing that team and the delivery working through issues that happened. Jake, did I miss anything and all that?

--- Type of work ends ---

MARIBETH

16:32 Okay. Are they typically divided by I'm like skill set as well or like a refrigeration versus H fact VS?



17:48 Sounds good.

MARIBETH

^{17:51} Okay. So it seems like based on the documentation kind of the main scenarios that you want to cover our, the maintenance agreements, the quoted work, the preventative maintenance, emergency work, change out projects and then kind of beyond that filling in where what the customer experience is going to be, some of the reporting capabilities.

--- Type of work ends ---

MARIBETH

18:28 Were there specific... metrics that you want us to demo street in the call? Because I know that you and I have reviewed the reporting before?

TROY

^{18:46} I mean, I think anything around profitability be a big one and I can have you looked at back down to the bottom there interest in the customer experience management or I can share my screen with the hawks.

--- Customer engagement ---

MARIBETH

18:59 I've got, yeah, I've got it up and I can share mine.

TROY

19:02 Okay. Yeah. If you go to the last page eight the very bottom. So the customer experience and management, we just wanted to know that's you know, that's one of our said, our stated, you know, goals of this project are best in the industry, customer experience, best in the industry tech experience and basically replace while we got, you know, the simple simplified right? That's really what we wanna do. And so this one's all about just kind of recapping and actually even some things we probably haven't seen by then the customer portal because we don't have a customer portal today. So that's been the big win. But then the third one, customer management was just kind of taking a step back and you're a supervisor and you're just trying to manage where our customers, they had like seeing their history, seen their invoices, what's paid, what's not quotes together costs, no profitability margins would be kind of part of the analysis.

--- Customer engagement ends ---

TROY

^{20:01} And I think we call service backlog. But just basically how far are we behind on PMS or we, you know, days behind or months behind because of whatever right? You know, life gets busy. So those are the big ones. I would say anything around those profitability and margins. It'll be the big ones. But if you have built in KPI'S I'm sure the team would love to see those that call. I attended, I really liked that gross profit over our smart KPI pretty fascinating especially when your resource constrained. So I mean anything you have like that would be great.

--- ST app contracts and pricing ---

TROY

^{20:40} But the means when we look main one we look at now, I really like agreement performance today, which is really a profitability and margin analysis is the main one we looked at and then year to date as well just to help with the... contract starting over.

LAUREN

21:01 I have a question about this whole section gee, that we're looking at here.

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

LAUREN

21:08 I have to admit... it happens more often than not... that when companies come to us, they're exclusively focused on operations and it's awfully refreshing to see your focus on the customer experience. And I'm wondering if you could share what's driving that initiative internally?

TROY

21:34 I would say it's just really part of the, what they try and do as a mission statement here all the time that's built into the mission of Haynes growing our customers and other voice. So that's really the driver and it's and one of the reasons we're here having this conversation is... you know, I'll be honest like you can have a, you know, a commercial person can come over and fix your H back and get better reports and you do from Haynes. And that has bother. Like I remember when I first came on helping out here. Are the CEO said like I have my lawn service yesterday and I get a nice report from a lawn service guy that was there for 45. Then I do that, I know that we send our customers. And so that has been a point of emphasis and frustration. I would say for some period of time. So I think that would be... my version of how we get with that kind of baked in but also super important. And I think we just kept that in mind to really like why are we doing this customer and take experience trying to make those as best as possible and using bad is really the deciding factors and less. So it does this little thing that would be easier that little thing. But more so how does those experiences? And then everything else is kind of next important for next?

PATRICK

23:02 But I think the only thing I would add there is a lot of H back companies out there.

--- Type of work ---

PATRICK

23:06 More contractors and service seeing is something they do on the side. We are 100 percent 180 degrees difference. So we 100 percent focus on servicing. So that's why it's all about the customer and not about the latest project that's been in. Jake. You probably know better than me but maybe six is where we really focus started

focusing on servicing. And so we do maybe five percent service contracts and variable of any new construction or contractor work.

--- Type of work ends ---

LAUREN

23:39 Assessment and track them. This model. I'm sure you guys have been hounded by these PE groups that are getting into the space considering 95 percent of your business is contract related.

PATRICK

23:52 Yeah, we keep that quiet. We don't talk about that.

TROY

23:56 I don't want to know.

LAUREN

23:57 Wow. I'm just making a blanket statement.

--- ST app contracts and pricing ---

PATRICK

^{24:03} You're right? I mean, some of the contractor perspective, they're always chasing the next project and it's funny because if you're talking to Craig, he always talks about, you know, they brag that they won this 1,000,000 dollar project and we're happy with our little 50,000 dollar service contract. The interesting part is our service contract gives us better margins and it's year after year. And as they need replacement or prevent services or anything like that, then we also make money on those contracts. And so we don't want any other H back company to get into the service side we'd rather than just those 1,000,000 dollar projects that they're really proud of. And what will change those 50,000 dollar contract.

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

MARIBETH

24:45 To us?

LAUREN

^{24:47} We love that. I think that I think kind of... considering that breakdown of your business and like that type of projects that you're doing that we can accomplish like 80 percent of the ti eyes and special projects that you're already doing now in service trade and some of the stuff that's upcoming it's just gonna be like icing on the cake. Yup. So that's good to that.

TROY

^{25:15} I think when, I mean, I think what we don't need the full blown like construction companies need for projects and that's why we were split really specific on why we pick that change out for, to use that's pretty good science project for us the best. Not like new construction or like, you know, that, you know, there's no phases of the business.

--- Type of work ends ---

TROY

^{25:35} Are you figure it out, get the equipment, deliver, the equipment, installed, it and then close it out, right? So there's not any, anything more complicated than that even though there is of course, challenges with doing that type of work by. I think we don't need the fall. So I think that's one of the things we're trying to clarify in the documents when we say the word project, we're not typically the same as everybody else. Okay? Like a project. So neutral, I mean, that could be, you know, a very expensive project. There's choice. I'm not cheap, but it's not that's not the same as, you know, building the rockies thing, right? Those are totally different projects but we're more of a well, so yeah, I think so what we saw with the powerpoint slides on projects look looked to me more than sufficient L and a huge and group, yes, bye.

--- Purchase decision ---

LAUREN

^{26:32} Alright. I like what I'm hearing. I got a little nervous but now you've put my mind at ease. Yup. Great. Let's see. I personally don't have more questions they're about to, you have more questions or do you all have questions for us?

TROY

^{26:55} I have, well, I have one question and then just one kind of, you know, that just finalizing the agenda but part of finalize the agenda, I, I'm looking for two thing. I mean, I think two things. As you guys look through this one, it's really hard to define how you want a demo, a system that you don't know well enough to know how to demo it. So definitely deviate from the script as needed to improve or do it better than how we think we might do it.

--- Purchase decision ends ---

TROY

We've tried to avoid which I mean, the goal was to focus on what we want to see, not how to see it if that makes a difference. And then there's the second kind of part of that is as you look at this agenda and we'll have a limited amount of the executives time. What do you want? Do you want, do you typically do a separate like short session with them? Do you have a particular time you think they will most make the most sense for them to calm? So just looking because we will not get the whole day. We'll get you'll get the whole day of the court team, which is like six of us.

28:00 Yeah.

TROY

^{28:00} But we'll get a short. We'll get an hour with the like Terry and Craig CEO and Terry is the second command. We'll get a, you know, we'll get an hour with them maybe. So just kind of think about when you want to insert that in this, whenever that makes sense. And we'll work out schedules and stuff.

LAUREN

^{28:21} So, I think that's a great transition to marry that I've actually did this around this time last year for probably, I didn't think about that. And so I remembered that you guys are in Phoenix but probably a competitor of yours in Phoenix of sort of how we structured an onsite outline for like a whole day session like this.

--- Purchase decision ends ---

LAUREN

^{28:48} My understanding is that you'd want to do like the technicians either first thing, our last thing on that, but this is how we've structured it previously. We do just kind of want to know based on everyone's availability, who I will be attending, what product, what pieces and service trade would be most interesting to them. And so every group, whether it's the executives, the technicians, the sales team, the estimators, the CS, ours.

--- Purchase decision ---

TROY

29:15 Like...

LAUREN

^{29:16} Group has their own personalized like our session. So... we wanted to show you this and kind of get your thoughts and then maybe work together to craft something similar for, to make the most of our time in a few weeks.

TROY

^{29:34} Yeah. I mean, I think that, yeah, I think we, I think we're not far from there more than sent you and something like that, I think would be just shift things around maybe a little bit, combine a few things. But yeah, that would be, that would be fine.

--- Purchase decision ends ---

LAUREN

^{29:48} I guess what we need to know from you is like the attendees and roles of everyone that you expect for me session and maybe some of the topics that would be most important for them to see any scheduling conflicts that you might have for

specific teams. Like an, a dispatcher is like first thing in the morning, like they need to be, you know, kind of closing out whatever happened overnight. So they may be like right after lunch or something. But yeah, if you wouldn't mind providing that we can kind of take, make an attempt to kind of put together something like this similar. And then we can make adjustments that head of our scheduled meeting.

TROY

^{30:30} Okay. If you wanna look at the slide, it's page five with the scenarios and the groups column. I think that... it can do to get you close to reorganize that you have. We have like dispatch text soups core is just that the group of us. But no, I mean to me the things that are, you know, I think you kind of have to do quote the quote in contract process.

--- *Type of work* ---

TROY

31:00 I think sales and we can do that. It's probably one session then next is probably kind of scheduling PMS emergency service, no heat and the whole mobile experience. That could all be together and we could do it altogether and, you know, do another little session for just some text at the end of the day or we could try included in there the quarter repair thing. We can move up with the sales part because that's kinda salesy. The new project. I think we just do project are separate because it's pretty separate than the way our world works. For the most part. Service techs do projects. But when I do that in this, it's mostly there's a dedicated project team with dedicated project texan and project supervisor and project sales.

--- Type of work ends ---

TROY

31:50 So I think we do projects kind of that's a close to me and then customer experience and reporting and accounting integrations. I think could be separate either combined or separate depending on what you guys thinking to cover those things because they're pretty similar.

LAUREN

32:09 They also want to consider the customer experience and management piece I'm including with sales team and not too, since.

TROY

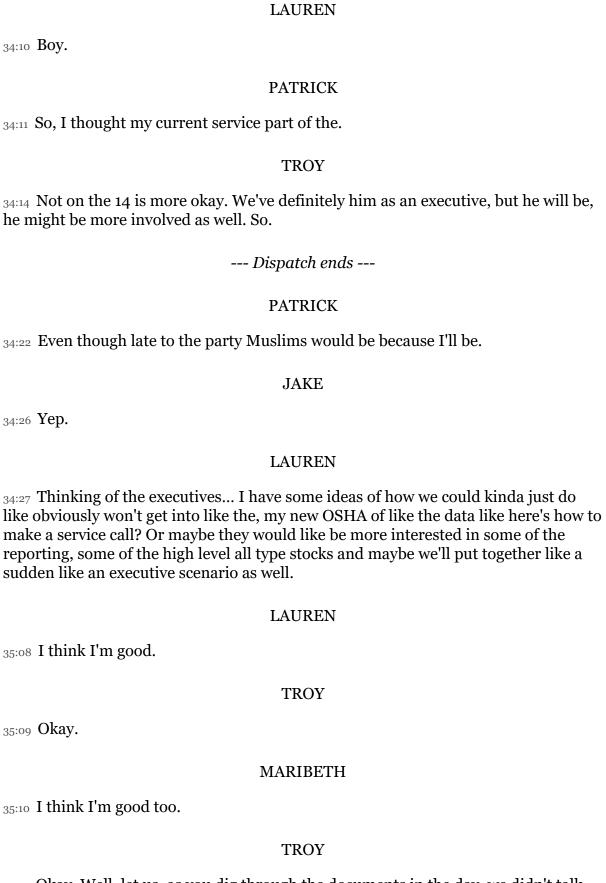
32:19 Hello?

LAUREN

32:20 Since service trade, you know, there's a lot of ways to leverage that to kind of change sales conversation. So that might be.

32:28 That's perfect. Yeah, that makes you want to, yeah, that kind of insight is perfect.
LAUREN
32:35 Yeah.
TROY
_{32:35} You just kinda put them in an order but they, these are shifting more pieces.
LAUREN
^{32:40} Okay. Yeah. Okay. So I think I have what I need from that perspective, but we'll send over an agenda and then you can kind of share with us like.
PATRICK
32:54 Hello?
LAUREN
32:56 Should attend each session. So, we know who's zoo, did you already share who is on the court team? They don't miss that.
Dispatch
TROY
33:06 No, but it's Jake and I and he was the guy by name Joe newer, who's this is the official title here's. The.
JAKE
33:16 Maintenance supervisor?
TROY
33:20 I didn't know that. So that's new title I think. But anyway, it's Joe is the one that's been kind of helping us look at all the tasking and he's he understands the service side great. And then we have matching is our director of sales, and then dug husbands another consultant. And then Bob meinhardt is one of our it guys. They were all on the last demo, everyone, maybe the last demo, sure.
LAUREN
33:49 That's good to now.
TROY

 $_{33:5^2}$ And probably we had Shane, but he's recently left the company. So we have John, I think job and it's going to join to see the suit here's. The let's see the head of supervisors service... manager, yes, and I go with titles.



35:12 Okay. Well, let us, as you dig through the documents in the day, we didn't talk much about the data but you shared some of our new testing with you too, so you can see. And I just perfect, I think that's one of the things we wanna see because this was one of our pain points but a lot of our service contracts been, have, you know, 102 100 tasks that need to be done because you got 30 to 50 pieces of equipment and 10 things to do on each piece of equipment. So just seeing at experience is important to us versus the, no, they're happy scenario where you got, you know, a single unit with five things to do that looks great and every app, but how does it handle truly showing like, you know, a week's worth of work that you're getting in one one PM for, you

know, February to go do all this stuff at the site. So that's why we include kind of our task, you know, what we'd wanna see, but, you know, I think, I wouldn't think it'll be terribly surprising from a testing standpoint.

LAUREN

36:15 He's talking about... the proactive preventive maintenance agreements.

TROY

36:21 Or the, this excel spreadsheet that was attached.

LAUREN

36:24 I see.

TROY

36:25 That I attached just a agreement just so you could see what we're doing.

--- Assets ---

TROY

36:29 That was just more about for your reference, you know... but that's more of that but more of the, you'll see and there's a bunch of tabs for every piece of equipment type somewhere.

LAUREN

36:43 And now, I...

TROY

36:44 Yeah.

LAUREN

36:45 See.

TROY

^{36:45} Of it, and then there's even frequency. So how often we do things and, et cetera. So that will give you a good indication of and I mean, in our desire and that is just to see a site that 5,700 is actually where we'll be located for this is our headquarters. So it's the actual real building with those are the real things here in this building.

--- Assets ends ---

TROY

37:08 So it's all real life scenario, but just truly see what it looks like to see a bunch of stuff that you gotta work through, you know, a couple of times, you know, several times a year for the service?

LAUREN

 $_{
m 37:20}$ Sure. Okay. Yeah, this is helpful. We should be able too replicate this pretty

effectively. This is what all of our people do. So.

TROY
37:33 Great.
LAUREN
37:34 Great.
TROY
37:35 Awesome.
LAUREN
37:36 That's good. Alright. We'll get to work on this agenda sure. So before the end of the week and then we'll look for any proposed edits from you all. And then we'll get something final so you can share with your team. So they know that cutting into heading into our meeting and.
TROY
37:53 That sounds great.
PATRICK
37:54 Cool.
MARIBETH
37:55 Thanks everyone.
TROY
37:57 Alright. Yup.
PATRICK
37:58 Bye.
The End