USA Mechanical/NorthBoundary discussion

Kurt Dillmeier with USA Mechanical LLC
Recorded on 3/7/23 via Zoom, 27 min.

Participants

SERVICETRADE

Kurt Dillmeier
Field Manager

Billy Marshall
CEO

USA MECHANICAL LLC

Steve Dion
Service Manager

Topics

Transcript

--- Call Setup ---

KURT

0:00 You hear me?

BILLY

0:01 Yeah. Can you hear me?

KURT

0:02 Yeah, yeah, yeah, yeah.

KURT

0:08 Something we might want to think about. Chris and I were just huddling up on Dev brown. The competitor was in there Friday. I guess it was maybe Thursday or Friday but I know you've spent time crystalizing that thought about them.

BILLY

0:29 You know... what accounting system are they on?

KURT

0:35 That's it, right? Or Viewpoint? I don't remember.

BILLY

0:41 Really don't...

KURT

0:42 Yeah, I think it's Viewpoint actually.

BILLY

0:44 Is it that or is the spectrum text?

KURT

0:46 Spectrum spectrum? It's a tremble, right? Yeah.

BILLY

0:52 Okay. Yeah, it'll be interesting to hear to see... if that one goes well or goes south because of all the complications.

KURT

1:08 Well, they, so I just asked Chris, so they haven't made a decision yet. So, Chris didn't want to... go low, right? And try and highlight their weakness, but I think it's just, it's not about going low. It's just... being forth writing and... just open and honest about what we, what we're here, you know.

BILLY

1:45 Well, where I would go is just say call our spectrum references, ask them for live spectrum references live and you can call ours and ask them for the same thing that's where I said before you do anything, get people that are actually live running the application that are not investors and we will give you... a couple of good ones and western Allie, mechanical, and also Wayman's, right? You know, that weans on the fire side. And then who's there's? One of the mechanical one paramount, maybe paramount and you should call them absolutely should call them. Yeah, and... you should expect the same from them. People that are that have been using for some period of time and you should call and you should ask them how's it going?

KURT

2:46 From Steve, let him in.

KURT

2:54 Hey, Steve, can you hear us?

BILLY

2:57 Yep. Yeah.

STEVE

2:59 Great.

KURT

3:00 So, I'm you know, outside territory manager for the northeast, Billy Marshall cofounder of service trade currently, CEO... appreciate you taking this time. We were earlier today in a meeting in northern New Jersey and we had hoped and we're gonna drive up there, but, you know, at the last minute, we've got a few more meetings close at home. So, I do.

STEVE

3:27 Sure.

KURT

3:28 Taking the time but, you know, I'm gonna kinda really just let Billy run with it a little bit.

--- Call Setup ends ---

KURT

3:32 We're curious, you know, how Northboundary integration is going. Obviously Billy is now going to be CEO of we're a boundary. We're gonna keep it separate but I'll let him kinda drive the conversation a little bit from here.

BILLY

3:44 Yeah. So first, thank you for being a customer. I know that I think you guys have been a service trade customer for some time although I think I've heard that's changing. But now you're a Northboundary customer. So you're still a service trade customer. Okay? And so, you know, it's always a good excuse when you're traveling to, you know, find ways to go see the people that make your business go around your customers. And, you know, I would have liked to have actually been there today, but apologize for sort of tailing that. But thank you for taking the opportunity to join this. And, you know, we don't know where you are in your journey with Northboundary, but we of course acquired that company last November. We'd love to hear sort of your early grade reports on what you guys are doing with them and anything that you'd be willing to share about your historical view of service trade and how we serve you. We just love you to, you know, kinda let us know how we've been doing and what your expectations are for the future and what else we can do for you.

STEVE

4:48 No, absolutely. No, that is great, right? We don't use it to its potential. By no means. The complaint is that the... quoting abilities that it has could be a little clunky. I know that one of our sister companies is struggling with their Calvert controls. They're massively struggling with using it... but they're the ones that actually turned us onto. We use it more for tracking purposes of the proposals and the different stages that it then the guys are it's a little bit difficult. It's a little difficult at times to use it because of the way we're using. So the guys will enter in an opportunity for approval. They'll drag and drop in their estimate document, their proposal, they'll put me as an approver. I will go out. It'll get an email. I click on. It opens up. I go back to it. I click on the opportunity. Then I open the attached files, will do it that way it works. Is it's a few extra steps for me. It's a lot better than Salesforce. I was a Salesforce master user that was over engineered. So I think there's a happy medium in between and goal is that will eventually use it to actually do all of our quoting and proposal writing through it.

BILLY

6:17 Are you guys using sort of the native build out of equipment and, you know, mark ups and all the sort of the configure price quote ability that's built into it or are you guys attaching something that side in excel or something?

STEVE

6:39 Correct. Yeah, we're attaching all of our own documents. We're not using any of that for the most part.

BILLY

6:46 Okay. Is there, is that's just curious that's a curious work pattern. Is there a reason you guys are using it that way versus sort of with the built in configuration?

STEVE

6:56 Because the guys found it to be really clunky and difficult to use. And when they wanna modify cost on the cost sheets, it took them a lot longer than just a premade excel sheet. The quote generation process took a lot longer. So they kinda all pushed away from it which I know Calvert again Calvert controls, which I highly recommend. Maybe you guys reach out to them. They're out in DC, but they're struggling with it too. So rather than fight against the machine, we just, you know, like everybody does they re, engineer solutions and that's ultimately.

BILLY

7:33 Okay, interesting, you know, because our general view of Northboundary was that it was more of a configure price quote engine, but to your point, I haven't gotten underneath a lot of customer calls either, it was more of a configure price quote capability that was very specific to mechanical. Then it was an actual, you know, CRM which it does that it tracks opportunities. But, you know, we sorta thought that the most interesting part of it was the mechanical spec I asset based ability to do the quoting. And maybe it's a, maybe it's a training and a little bit of usability thing, you know, as a, because ideally, you know, you end up quoting those contracts. And of course, where we're going is that you can actually push all the contract terms into service trade. Now, if you're using excel, that wouldn't work, right? I mean, so, but you're and you're coming off of service trade as I understand it anyway. But the is that you get the assets in, you get the margins in, you get the, you know, labor and part assumptions. And then if it's closed one, it just becomes a new contract and service rate that you execute on that's kind of our vision. But like I said, we would need to make sure that it's easy enough to use that you're not substituting excel for the built in. So, so are you, are your technicians quoting things or are these dedicated sales people that are doing this?

STEVE

9:18 Right. So, so to your point, first off, I don't know if it's necessarily an issue with the software or if it is, it's an issue with ability and training. So don't take my comments as a negative on the software because they're not there. You can as you software, you can, you change direction, you change culture, right? And you gotta take baby steps to get there. I think that... some of what it does a coding perspective, like our former president, he uses it quite often to quote large projects. But, and he does that, he already has like the excel backup because he's using excel to build it essentially. Then he's using that software and he's kinda just lumping the cost and to show where they all lie and he's building his written proposal. The proposal is actually beautiful. I actually like to pull him at a lot. He takes the time to do that. But the outside sales guys, service sales guys in particular wanna wing it out in five minutes was right? So they pull up what they've previously done and they changed the name and they change and everybody's been there, right? I've done it. You've done, I'm sure we've all done it.

BILLY

10:36 Yeah.

STEVE

10:37 It's a building the library, right? To be able to sheet it and it's just time, right? And I don't think it's a software thing. I really don't I like it when you got an interesting point, right? It's not a true CRM tool. It's not, right? You can't compare it with Salesforce.

BILLY

10:56 No, it's more of a configure price quote. It really is the configure price quote system specific, generally speaking to a specialty contractor that's really what it is.

STEVE

11:09 But for us, who we were approving proposals through an email kinda archaic way of doing things. Didn't always have visibility. They would send an approval, you know, had a look at this job and I gotta look at it and the information is missing. I have to log in through VPN, go to a drive, pull it up it like solve the major gap there.

BILLY

11:30 Yeah, no, you're right? It does. It at least tells you who has agreed to your terms and when they did, and what files were associated with it in an application as opposed to being in a quote unquote drive or an email.

STEVE

11:46 Right. We got rid of service trade. Well, we didn't get rid of it yet, but we're in the process of because one, we didn't know Northboundary service trade. We're in a combined forces and we didn't have an ability. We had an inability to really run service trade in the Construction market, right? It's great service trade is a phenomenal service.

BILLY

12:08 Yeah, we don't do Construction, you're right?

STEVE

12:11 But we do, so just keep introducing more and more platforms are so right? So we should, now that being said, if I knew that the two are gonna tie together, I don't know maybe a different conversation but too late, so that show but not having the ability to have Construction, not having the ability to have job forecasting. So that that's the reason why we're going from service trade, right? And then ultimately want the whole entire business to be on one platform from a perspective. So we'll go to a different software of that. But for north dory, yeah, I think there's more to come with that. I don't know how to get there. I don't know how to, you know, build our library if you will of opportunities. So the guys use more of it. Yeah, I like it because when they use it the correct way, when I go to approve, it's so simple. I'm not bouncing back and forth, everything's laid out perfectly. You have track ability. Again. It's not a Salesforce which is not what I want. I don't want a Salesforce is too heavy for my business.

BILLY

13:16 Yeah, yep. Yeah. If you wanna, if you wanna make Salesforce work for your business, you first got to spend the months and years even of some developer tuning it up to where it does. What Northboundary does, which is all events has done is he's taken a good idea around CRM and made it very purpose built for and eliminated everything else that you didn't need. And Salesforce is kinda the other way there's everything you want, but you got to build it out to actually have in place the, you know, the workflows that you want, which gets very expensive after a while and it's just heavy.

STEVE

14:01 It's ridiculous. You don't have a direct path to any of your answers in Salesforce. I use Salesforce for the last 10 years, right? So I came over to USA, so I was actually happy to not do that. And then, you know, for me, this is like a super dumb down version of that. It gives me visibility on opportunities. It gives me visibility and tracking where we are in the opportunities. And then it also gives me estimate and proposal documents and any notes retaining to the opportunity. So it's a simplistic that the guys use it.

BILLY

14:35 Yeah. Yeah. Yeah, that's good. Yeah, you know what? The, like you said, there's some value there. We don't charge a ton for it. We view it as an entry vehicle. You know, I would like to get it to where it is. You know, enough out of the box to where it would be, you know, if you were starting with excel new, in other words, if you had never done a quote in excel, you might prefer to do it first in north bound. If you've already done 100 in your history and someone hands you north bound, you're like, well, that's not going to be any faster than taking an example from one that I've done in my history. And, but if you had to do your first one, I... might be quicker, right?

STEVE

15:18 I think all really is like I said, David uses it all time. He does a really good job, but he doesn't bump out. I mean, the shell guys dump out any five quotes a day, 10 quotes a day, one quote a day. His are larger. So it's like three weeks.

BILLY

15:34 Yeah, for.

STEVE

15:35 Him? No, it's not as big of a deal. I don't know how to get them to where they need to be. And honestly, I haven't put a ton effort in because it solved a lot of my problems as is it solves a lot of my problem.

BILLY

15:48 Yeah.

STEVE

15:50 Like, well, I'm onto the next problem, right? But it probably could solve more.

15:57 Hey, how far are you guys along in your journey of? I know you guys are part of a Ryan now and they're a BuildOps investor. How far are you guys down along that journey? Because, you know, our take is that you're going to get some Construction benefit that you might lose some service capability. Are you far enough along to, you know, way in on that yet?

STEVE

16:20 I'm too far along the way in on that. So... the ABS doesn't do a lot of things well on the service side, right? Let's just call it what it is. It's not the greatest service tool... in the field perspective. They don't have a touch and feel it's much different for the most part. For the field guys there. It's very similar. Long as the data is entered correctly, it's very similar. You still have your filters in your boistorical data. You still have your primary secondary account manager, contact... very similar on the administrative side on service. It's a lot more painful. I can vouch for that.

BILLY

17:05 Yeah.

STEVE

17:07 That was an objective, not necessarily an individual objective, but.

BILLY

17:11 Yeah, no, it's okay. You know, we're in this market, we're going to be in this market, right? And we've kind a wager our bet on being great at service. And we, we're not trying to lay a bunch of bets on Construction. We're trying to be good enough in some of the Construction areas just to track activity. But we're not trying to be sort of the all in one Construction, you know, thing. We're just not, we're trying to be good enough. But if you just want to track activity, labor and parts and daily logs, and we can do that. But we're not trying to be, we're trying to be great at service, right? You know, with, you know, in things that things integrating with Northboundary, maintenance quoting to have the maintenance contracts, land and then be managed. And then, you know, G, how am I doing relative to the budget I set in Northboundary. And, you know, have that all be sort a streamlined and simplified so that your service business is great. And that's kinda where we're that's kinda where we're trying to line up, you know?

STEVE

18:15 I think having the tool that you have, and actually being able to talk to the software that service trade is a massive win. Unfortunately, I'm past that. Yeah, I think, and I'm not gonna lie. I mean, I think that's a massive win. And honestly, if I had done that and the decision would have been definitely different, like I would have definitely pushed back a lot more. We have a massive gap on the financial side, on the Construction side, like we had nothing essentially like we didn't have any basic CRM tools. We have nothing. Yeah. So the shell to go to BuildOps wasn't that big of a sell, right? Like, listen, we don't capture costs. Well, we really don't know where we end. It's almost a manual process at the end. Where was the margin for real? Where opportunities for slide? We only didn't slip because people are

passionate, the business did not slip because we have the right people in place. That's the only reason not because the...

BILLY

19:11 What was the accounting system? What's your accounting system on the there right now?

STEVE

19:16 Well, they were used Quickbooks before, right? So, but now they use Sage, I believe it.

BILLY

19:21 So you guys moved you guys or Ryan moved you to intact?

STEVE

19:26 Yep.

BILLY

19:27 Okay. Yeah. That's a good platform, so.

STEVE

19:31 Really well and build out reports to it, right? Which seems to help the integration between the two is working well... build supports to check letters to the payroll system as well, right? So that works out.

BILLY

19:47 Yeah, yeah.

STEVE

19:49 It doesn't though, like I said, I have nothing but good things to say personally about service trade. Unfortunately, it just wasn't a cure.

BILLY

19:57 Yeah, no, and we're not, and we wouldn't claim to be, you know, I don't think BuildOps would claim to be a cure all on the service side, I don't think they would, if they would claim it. I think it would be dishonest, but.

STEVE

20:09 But, you know, when you have that works really well and your backwards that you can't help it that argument, right? So.

BILLY

20:16 Well, we see so many of these businesses began in Construction and service sometimes feels like the tail of the dog, you know, just because it began with projects and Construction and a lot of folks aren't running their business to optimize service, you know? But if they are, we lean in pretty hard and say, well, if you really want to optimize your pull through and your customer engagement on service to be the number one service provider in your market, we're probably the best platform, yeah.

STEVE

20:52 Service. What I have for this, I had service max. I've used that as well.

BILLY

20:55 Yeah, that's based on Salesforce and it's kind of built for more for like manufacturers.

STEVE

21:01 It's difficult. It's a difficult platform. What I had before that I used a couple of different, no, it's a great platform. I really like service trade. I think it has a lot of positives hoping to build out, develop some things that are similar. The guys in the field haven't. Well, I wouldn't say they haven't been negatively impacted. They have been for sure, but they're fixing the negative impacts which is just, you know, some of the information is not working should be, it's not visible or whatever, but it's financial at the end of the day. So when you talk about instruction to service instruction, getting a log in service day and no love, our organization was completely opposite, right? Our service had plenty of leads. They had all the software. They needed. Things were great and the Construction business, which is the area that I have the biggest amount of risk to lose as much money as possible. Had no one. Yeah, from.

BILLY

21:56 If you guys were on Quickbooks and you weren't on a formal Construction accounting system, you're right? You weren't getting any love and Construction.

STEVE

22:04 It was a massive risk, right? So, so I ultimately agreed. But so far like I said, Northboundary has been great man. I got nothing but a thing to say. I think you guys this point, I guess I need to know more. I need to understand more. I need to figure out how to use it better. You know, we're using the capabilities of giving us now just without even digging in deep, has been an enormous positive, you know? So like the off at night, I get literally, you know, one thing that does all talks about it is I have, she's actually a service project manager, but she's helping me on the operational side in some of the, some of the proposals. The only feature I don't like is I can't just click and see what I have outstanding for or approvals. So when I get the email and say, hey, Steve, you need to look at this and I go in and I look at it. Do they send it to both of us if she approves it? I mean, I don't have like an immediate red flag or zero pending approvals because she might have already approved it. It's a silly little problem.

BILLY

Yeah, I...

STEVE

23:16 Just kinda audit, but it's like that's. Like the one silly little thing that if I could change, I would change.

BILLY

23:21 Well, you know what even is Ben was the founder of Northboundary, he's pretty quick about, you know, taking things like that and doing something with it. So we'll make a note. I'll talk to vent and I'll say, hey, if you send.

STEVE

23:31 Two...

BILLY

23:31 Things two different. One thing the two people for approval, you know, when they go to their, you know, you've got stuff awaiting approval even if they were to click on the link, it doesn't bring back a full report nor does it indicate something that somebody else has already approved, right? That's basically. So what you'd like to do is if you get the email, is that shouldn't really just be about that one. It should be, hey, there's new stuff for you to approve. And when you go there, you just see all the new stuff that you need to look at, but it shouldn't include anything that anybody else has already approved, right?

STEVE

24:03 Correct. Because it doesn't have that Salesforce box to the top where you have like, you know, six things to approve or 12 things to approve or you don't really even have.

BILLY

24:12 I...

STEVE

24:13 Going in twice a day, got, I got not right? So not having of what you have pending.

BILLY

24:21 I...

STEVE

24:21 Literally, I literally go, you guys call them organization by account managers. So each guy look at his own organization and I literally go one by one down twice a day. I do this and I look to see if there's anything that's pending?

BILLY

_{24:35} Yeah. Yeah. I'll bring that up with that. And when I do too, what we'll do is we'll probably look at some of the way some of your stuff has come through. And so he, you take a look at some of the files and things to say, okay, how might they have done this natively... in your Northboundary as opposed to feeling like it was easier just to attach files. So we might have a quick look at that too. So.

--- Wrap-up ---

STEVE

_{25:00} Please do. And like I said, I think you guys have time reach out to Mary Anne, Bella, Albert controls.

BILLY

_{25:06} We will.

STEVE

_{25:07} I'm Rob stuck. I know they're struggling with it. I don't know the struggle. I talked to her often, but I didn't really, she kinda called me and asked me for some advice and I said, I'm not gonna go to give it to you using at the right way. You know, they're the ones that turned us onto it.

--- Wrap-up ends ---

BILLY

_{25:25} Yeah, we'll call.

STEVE

_{25:27} Because whatever they're doing, I'm sure is, again, I know they're trying to use it the right way. So whatever the struggles are, will probably be the struggles we would have.

BILLY

_{25:36} Yeah.

STEVE

_{25:37} Yeah.

BILLY

_{25:38} We'll we'll call them up and get underneath a little bit and see if we can help.

STEVE

_{25:43} Yeah. So, not though it's been good, man. I think, yeah, if you talked to talk to events about that one little thing that would probably say, so the time.

BILLY

25:53 Yeah.

STEVE

25:54 You know, and then I think after you guys to Mary Anne, like we should regroup and see because once you understand what the struggles are, maybe again, we should try to figure out how we can utilize the tool more.

BILLY

26:06 Yeah, we'll do that. We'll set something up with maybe both of you at the same time.

STEVE

26:10 That's fine. Yeah. And then trying to get the, I mean, obviously, I can't use it as a sell to book, right? Because obviously, I don't have the booking part of that anymore, right? I don't know if there's any integration ability that it has or will have in the future... that would be ideal. But this is what it is at this point right now, we're just dragging and dropping document.

BILLY

26:32 Yeah. Okay. All right. Well, this is super helpful for us. We appreciate you taking the time, you know, next time that we are actually driving through, we'll make sure we stop in and say hello.

STEVE

26:43 Yeah, absolutely. Yeah, I appreciate you guys. Like I said, we're doing well with it on for things are using it is what it is, but this is boundary tool is pretty.

BILLY

26:56 Yeah. Yeah, it's one of those things you can't bite city hall.

STEVE

27:02 I work with it, right? Because of the time. If I knew it would have been a different story, but I didn't know, right? So I'm...

BILLY

27:07 All right. That's all right. We'll we're going to be around, we'll be around, we'll see what happens.

STEVE

27:14 Probably fairly accurate.

BILLY

27:18 All right. Thanks for your time. I really appreciate it Steve.

STEVE

27:22 All right, gentlemen. Thank you.

KURT

27:25 I great.

STEVE

27:26 Bye bye.

The End