



AO Reed Pricing Review

Katie Mullen with Legence Holdings and Therma Corporation
Recorded on 12/7/23 via Google Meet, 30 min.

Participants

SERVICETRADE

Katie Mullen
Field Manager

David Teeter
Account Manager

Lauren Rice
Director of Enterprise Sales

LEGENCE HOLDINGS

Kris Rushing

THERMA CORPORATION

Janae Acker
Manager, Business Operations

Don Bach
Vice President - General Manager Southern California

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Transcript

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KRIS

0:00 I think Jonas planning to come on.

KATIE

0:07 I think Lauren is as well. So we'll give him a couple of minutes here.

KRIS

0:33 And I'm trying to pull up, the Therma invoice or contract, the nor Cal contract for service trade.

KATIE

1:19 Let's see.

KATIE

1:29 Hey, Loren.

LAUREN

1:31 Hi, there.

LAUREN

1:40 Give me one second.

LAUREN

1:53 Sorry, maybe just woke up after a five hour nap... every.

KATIE

2:00 Forgot.

--- Invoicing ---

KRIS

2:10 Okay. And I think Katie, we also had... some invoices that were late that are paid now, right? I think those should all be paid up for nortel?

KATIE

2:22 Okay. Yeah. Go ahead, right?

KRIS

2:26 Like 15 days, 30 days past. Do notices and I had to... go find the right people in ap.

--- Invoicing ends ---

DAVID

2:33 Okay. Take care of that.

KATIE

2:35 Okay. Cool. All right. So it looks like we should have everyone unless John is going to be joining?

JANAE

2:52 I believe he is, but if not, we can get started.

KRIS

2:57 All right. And Jane, you also wanted to cover, some past stuff from... the service trade migration to, right? I don't know if that's this is the right group for that, but I can definitely update you on what I talked about with genie and Christian this morning.

KATIE

3:13 Yeah. I know genie said that was what she wanted to cover with you earlier today. That probably wouldn't be this group. This group specifically is around like you said, the language and the agreement, and all of that. So, yeah. What, what questions can we help address for you?

KRIS

3:33 Okay. Can you pull up, the agreement I'll look forward to. I'm just pulling up the other ones. Okay?

KRIS

3:50 I think I got it here. Okay. Let me do a share screen.

--- Pricing ---

KRIS

4:12 Okay.

KRIS

4:19 Okay. Can everyone see? Yes. All right. Okay. So, I know 32 licenses for the text and... Jane that's I thought there were more text than that, but confirm 32.

JANAE

4:40 I'll get back to you on that number, but we're adding frequently too, so we may want to keep that in mind and having some additional on standby available?

--- Pricing ends ---

KRIS

4:51 Okay. Where, where did the 32 come from anywhere?

JANAE

4:55 Those would be the service technicians. Okay. What are functioning out of service trade?

KRIS

5:04 Okay. So, so Katie, you got that you got the 32, from Jane or someone, at, so.

KATIE

5:13 Yeah, I think that was actually done. David or Lauren? Did you one of you guys get that number?

--- Pricing ---

DAVID

5:21 Yeah, that's what we discussed, on the call that's the number we got.

KRIS

5:25 Okay. And then only 23 licenses for service forms. So not, so, not, every tech needs service forms license.

DAVID

5:33 Are actually has an average of nine that they're not using. So in the event we can always add more.

KRIS

5:40 Okay. Gotcha. And then this rate, is that the same rate that aor is paying?

DAVID

5:46 It is their current list price yet?

KRIS

5:49 Okay. And then the eight months just coincides with their, the end of their.

DAVID

5:53 Correct. Yeah, it makes it co terminus with the current subscription.

KRIS

5:57 Okay. Gotcha. And the service forms license that's 49 same. And then the, this is like what goes into the services, the 10,000 services?

--- Recurring maintenance ---

LAUREN

6:15 If you scroll to the bottom to the next page, that is for the account set up in data migration for getting your existing client database out of... out of that system and into service trade. So the customers, the locations, I think we talked about assets, but I don't believe you guys have the asset list today. I can be confusing. How was somebody else, the services, that kind of stuff?

--- Pricing ---

KRIS

6:46 Yeah, the, no, the assets that's gonna be just manually entered by the field text so far that's what we're thinking. Now, this, so the data migration, do we have that in nor Cal... we had... 4,900 for norco?

LAUREN

7:11 It's right? We base the amount on the number of texts. It's just sort of a flat rate for the number of text. So, for 32, 10 K is sort of like, the flat fee for that. And so that's how we calculated that.

KRIS

7:29 Okay. Now, I think this, the data lift, I think it's a lot easier than nor Cal because it's fewer fields... fewer tables.

--- Pricing ends ---

LAUREN

7:46 Yeah, we don't generally do like a full scope on, for that, we really just try to, it's one of those things that, you know, sometimes we don't need the full amount, but we kinda use our experience and like the best like what we've seen previously to kinda calculate that.

--- ST app contracts and pricing ---

LAUREN

8:10 So that's kinda how we make it like a flat fee instead of having to charge you like hourly and kinda keep track of that. And they're being a lot of like back and forth. So so that, that's pretty standard for, you know, a new order for that amount of technicians coming on board.

--- Implementation and ongoing support ---

DAVID

8:27 Yeah. Okay. Advanced timelines and stuff that you guys are trying to achieve. We wanted to make sure we had the bandwidth to make that as doable as possible on our end as well.

KRIS

8:35 Gotcha. And then, I know, I do know that as far as, the migration of our data that it's... just going over like, the project plan with genie that.

KRIS

8:55 That there are some service trade data sees that we're going to be working with on... translating our contract pricing into the service trade account. And that's looking like in January February March when we're going to have that service trade support. So, this 10,000 that includes the service trade support. We're talking about... that or, yeah, okay. For migrating all that contract data. Okay? That's correct. Got it. All right.

--- Implementation and ongoing support ends ---

KRIS

9:32 Right. Well, those are my questions, just about the fees, and, the rates and the quantities.

LAUREN

9:40 Okay. Were there other questions from you, Jane, or Don, that we could help you answer regarding, that order?

KATIE

9:52 I don't have any more that seems like.

DAVID

9:55 Covers it if you guys find that you need more seats for service forms or whatever, just let us know and, we can make those adjustments in the future.

KATIE

10:05 Okay. Well, we're hoping to have a bunch more as we grow. So.

DAVID

10:09 All for it. Yeah, we're here to support you guys. Great. Thank you.

KRIS

10:18 All right. Well, I think that's all we got then as far as, the contract.

KATIE

10:23 Okay. Yeah. And then, Chris, I know that you and Lauren and I wanted to talk a little bit about San Jose boiler. So if you wanna hang on, then we can adjust, those questions as well.

KRIS

10:36 All right. And Jane, if you want to connect after that, just go through the project updates. We can do that too or you can.

JANAE

10:43 Yeah, I'll break off. I have a meeting but I'll circle back with you. There's. The follow up session. I wanna do with Jane just to get an alignment with some of the items that are pending that she needs. Okay. All right. Thanks so much everybody for your time, thanks guys. Yeah, thanks, Chris. Bye.

KRIS

11:05 Right? San, as a boiler. So they had a very favorable impression. When I circle back with them yesterday, I guess they had done a second demo, right? Or a second meeting with you guys. Yeah. And now I think they just want to get more hands on with using the dispatching tool and using the partsledger. So this has been a big challenge for San a boiler is they had a huge just inventory problem. They've been in operation for like 100 years and they have like 100 years worth of inventory. And so when we bought them, we had to go through this huge extensive exercise to actually figure out how much inventory they have and what they have.

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

KRIS

11:51 And now that we're at that point where we've got a good inventory record for them, now they need to maintain it and they don't really have a system to help them maintain it. And so that's why we're curious about partsledger to see if ServiceTrade partsledger is enough for them, to manage that inventory or if they need to invest in some other... system.

LAUREN

12:19 I'll be up front with you. I think we can accomplish like 70 percent of their inventory needs. I think we'll be able to help with the purchasing directly to their inventory for performing like service work as well as the inventory management for that service work. Where we're not gonna help is the retail part, retail portion service trade is just not set up to be that transactional from like a point of sales system.

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

LAUREN

12:52 So, one of the things that, I actually wanted to pick your brain on is it's my understanding that San Jose boiler will eventually be moving towards is for the ERP system. I didn't know if you thought ifs would also suffice since they're had of background sort of manufacturing. If that would suffice for the retail inventory piece because we're just simply not gonna serve them well on that side of things.

KRIS

13:17 Yeah. And so we don't we haven't made a decision yet about when they would move to ifs... open question is just how long it'll take to stabilize and there, or Cal... and they've you know, they've done business historically just on part sales and stuff. And that is a bigger question for them this year is do we want to invest in the part sales business? And if so like how do we do that? So I don't know if this is the kind of thing where we need to have two solutions or if it's easier to have one.

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

KRIS

14:00 I don't know. My gut tells me that they will, they would need a POS system and something to help run the service department regardless. I just don't know if inventory is something that gets managed, in the POS system or service trade or some combination of the two.

LAUREN

14:21 Yeah, it's a tough one.

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

LAUREN

14:23 I mean, the companies that we work with that have this problem is like probably less than one percent generally. Our, our clients aren't doing that much in retail. I think the figure they said was about 3,000,000 in retail every year. And, and I think that's kind of specific to that niche industry of boiler, and then to some extent like fire life, safety contractors were carrying a lot of like extinguishers on hand or something. But, but I just don't know that there's a great solution out there that does both that type of point of sales specific to contractors and, the service portion. So, so, my instinct is, that I think you're I think you're right? I think you will need something for service and to manage that inventory.

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

LAUREN

15:13 And I think most people who do it in one system are using a big ERP... like something that also serves like from a manufacturing standpoint. Like EPA core, is like ERP system that does a lot with like manufacturing, that has a really robust inventory system. We're we're, very transactional on the purchasing, and inventory side of things.

--- Paper process ---

KRIS

15:40 Okay. Well, I think.

LAUREN

15:41 From a service standpoint, sorry?

KRIS

15:44 I think that the partsledger could probably help them with just a lot of the day to day headaches of parts going in and out and figuring out who's got what, and what's you know, what's being used on, which jobs, and then what's not being used like that's a huge headache, for them.

--- Paper process ends ---

KRIS

16:01 And so... maybe, they just need to tinker around with it and see how it works for them. And that could help them in, form a decision about whether or not to invest in the POS system that does something else.

LAUREN

16:22 I can ask our director of accounting partnerships if she knows of any good point of sales systems. It doesn't come up super often. So I don't know if she'll have like a good like a good opinion or not. But I can ask her in the meantime, I know a, an exercise, that Steve mentioned that he wanted to do is to meet with where you are the folks at nor Cal term to kinda get a feel for, you know, how they're using it day to day? Is that something that, you know, has been coordinated? Or do you think that would suffice from the standpoint of like testing the dispatching kind of on the wall kinda?

KRIS

17:03 Like, how the oral is using service trade right now? Yeah. I don't think, I don't think you'd get enough info out of that just because they're not, they're under utilizing it right now. So we're just in a improved... user participation, but I do know folks like Mike hall and maybe Laurie, what's her name Schwartz would like to get more hands on the system just to get more familiarity with it.

LAUREN

17:39 You know, I'm sorry about the cat she's...

LAUREN

17:48 I just don't think like a trial like that is gonna serve them all. One. We don't we don't typically do trials but two there, it's just kind of an empty like a blank canvas and it may be more trouble than it's worth for them to do that. I'm wondering if maybe since Martin and his dispatching team at a re, do have like such a strong

handle on, the dispatching in and out. I'm wondering if Martin would be willing to kinda show them some of that dispatching and scheduling that they do. Because because they're actually in our beta group of customers testing out our new dispatch functionality and they, they're really seasoned in using that.

KRIS

18:30 Yeah, I think.

LAUREN

18:31 That would essentially be use of time.

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

KRIS

18:33 I think the part the partsledger, is the business we want to get hands on with and that's not something that we have access to at thermo.

LAUREN

18:42 I see, yeah, that's actually not something either that we're able, to trial for them just because, it does require a lot of setup of like parts list and quantities and things like that.

--- *Purchase decision* ---

LAUREN

19:01 So we don't even really have a demo environment that well like, we can demo it like service trade can demo it, but there's not a way to sign them up for just like a stand on an partsledger trial.

KRIS

19:19 Okay.

LAUREN

19:20 Trying to think the way, I mean, we could potentially arrange to do like another like full walkthrough of it where they can really get into like the nuts and bolts of it with our partsledger expert. Do you think that might?

--- *Purchase decision ends* ---

KRIS

19:35 So just to be clear, we can do demo accounts, for other stuff, but we can't do a demo. We can't do a demo account for an instance of service trade that has the partsledger that's right? Interesting.

LAUREN

19:54 Yeah, part is one of those products that's like contingent on having like really Rich data, to test it out.

--- Implementation and ongoing support ---

LAUREN

20:03 And, it requires like importing a lot of information like the parts list and things like that. And that's something, we reserve for like the onboarding piece of the service trade implementation.

KRIS

20:19 Okay. I got it. All right. But you've got like a demo or access to a demo thing that's got just dummy data in there.

--- Implementation and ongoing support ends ---

LAUREN

20:28 Yeah, we do.

KRIS

20:30 Okay. And that, but that's not something that you can give access to a user so they can go in and mess around with it.

LAUREN

20:36 No, because like if they go in and like touch things like they might break our demo environment. And, you know, I think, the best way for them to kinda get their questions answered is to connect them with.

--- Dispatch ---

LAUREN

20:50 Adam was the one who actually did the demo of partsledger for them. He's our senior solutions architect, but in a past life, he was the product manager for our parts management. So he knows more about that than I think anybody would ever want to.

KRIS

21:06 So basically, I get another call with Adam.

--- Dispatch ends ---

LAUREN

21:09 What I would suggest, I think that would be the best way for them and they can even guide him like say, hey, do this, do that here's? Some scenarios, like if they have some scenarios they wanna test, that would obviously be the best use of our time to

like kinda like here here's some common things that we come across and we can like kinda say, yes, this is possible.

--- Purchase decision ---

LAUREN

21:28 No, we might want to seek another solution for this, but I think that would be the best way to answer most of their questions.

KRIS

21:34 All right. I think that, I think that works okay. So I'll relay that to the boiler guys and let them know to reach out to you if they want to set that up.

--- Dispatch ---

LAUREN

21:46 Yeah. Okay. That sounds good. That sounds good. What else Katie, were we talking about?

KATIE

21:56 It was mostly that and then Chris, I had spoken with Mike Fisher probably like two weeks ago after we were up there on site and he shared that he has a big meeting on the twelfth and he was maybe wanting to get, some pricing together for like a wider roll out whenever that may be.

--- Dispatch ends ---

KATIE

22:21 Do you know if that's still something that's on your guys radar? Would that be helpful for us to get over to you guys?

KRIS

22:28 Big meeting on the twelfth of December?

KATIE

22:31 Yeah.

LAUREN

22:32 Forward meeting?

KATIE

22:33 Board meeting.

KRIS

22:34 Yeah, I'll be there next week... but, we're not coming to them with like, a recommendation yet. I still need to formulate that for and I'll probably make that next year. Yeah. I know that they would like to roll it out more broadly. But... they're not even using, what they have access to yet. So, I think I had this at a talk with the service team this morning about that.

--- Implementation and ongoing support ---

KRIS

23:13 And so, they're gonna try to figure out why it's being under used and then in parallel, they're going to start getting the data together, to migrate over once the system once we're ready to make that switch. So... now the, their plan is okay, we'll get the data together, migrated into the into test and then when it's ready switch over to production... I'm still not even done migrating all the data for the pilot. Yeah.

--- Purchase decision ---

KATIE

23:52 Just wanted to make sure that we weren't not getting you guys, what was needed and, you know, just wanted to make sure that we were checking all the boxes. So sounds like it still might be a little bit premature on that, but just wanted to confirm.

KRIS

24:06 Yeah. And for, so I need to do before the board can feel comfortable with this is just like a formal due diligence, where we go through and we do like a requirements assessment with all the groups and say, all right, these are all the parameters that we're going to rate the solutions by solutions being, you know, current system which is various from business to business service trade, probably service tighten, and then BuildOps.

--- Purchase decision ends ---

KRIS

24:37 And then just very objectively you'll have these calls, these demo calls where, you know, they're gonna rate things along all these parameters. And that way, I wanna be able to say, okay, we've done a, you know, a quantifiable assessment of all these and this is the best option. And then I also need some more user feedback from the field. So I can build out the business case and say, this is how much time we're saving and this is how much faster things are getting approved.

LAUREN

25:10 Okay. I'm sure you have some kind of like, it sounds like you've got some kind of re break or some kind of project planned in mind are?

DAVID

25:18 You willing?

LAUREN

25:18 To share that with us so we can kinda make sure that we're doing our, everything you need from our side?

KRIS

25:25 Yeah. Let me tell you what that looks like here. Okay?

KRIS

25:39 Yeah, it's pretty. It's rough. I need to massage the language and stuff, but you can just get a sense here for what it looks...

DAVID

25:49 Like.

KATIE

26:03 We...

LAUREN

26:04 I, did we not.

KRIS

26:05 Yeah. Did you did, maybe I did, but.

KATIE

26:10 You share the screen, one of the last meetings? Yeah.

KRIS

26:17 And so these, I think these are the points of performance that matter... most to, our head of service. And then, and then, yeah, I'll use that as a starting point. I'll go to the other is units and say, hey, what's missing from this list?

LAUREN

26:42 Cool. Are you willing to share this with us? So we can like do the same and say here's something that we usually see that may be missing.

KRIS

26:54 Yeah. How about I send you? I'll just send you, the column B. Okay, perfect. And then.

LAUREN

27:05 Yeah, we don't need to.

KRIS

27:06 Just assume you can just assume that you learn everything.

LAUREN

27:10 Okay. Well, there may be other things that service trade does that, you know?

KRIS

27:16 Yeah.

LAUREN

27:16 Haven't been fully unpacked yet that we just wanna make sure, we bring your attention to as well.

KRIS

27:22 Yeah. And, I would like to get that input from you basically to help make the scorecard... see what's missing, what do you think other customers find important? And then... after the new year, I'll go through that rating process with the groups and I'd be happy to share you what bear with, you know, the results of those two.

LAUREN

27:47 Sure, perfect.

KRIS

27:50 That sounds, it's. Service tighten and BuildOps are the two main ones for you guys, right? Although no one is totally like your peer. I get it.

LAUREN

27:59 I mean, no, I think you're looking at the right things, right? I mean, they each have a little different flavor than we do, but those are the three big ones. So I think you'll find that everybody can do most everything like service tighten may have like more of a like CRM kind of focus is like they call in and, you know, the number pops up on your screen kind of thing like the residential companies tend to gravitate towards and BuildOps may hone in on the fact that, you know, they can do like Aia type projects, but I don't think that's like really the scope of what you guys are doing, but really from a service standpoint, the three of us are gonna deliver most of what you're looking for.

KATIE

28:47 Okay.

KATIE

28:53 Cool. We'll...

LAUREN

28:53 We'll get back from you at some point and then... you, I think as far as immediate action items, you mentioned you were gonna ping the San Jose boiler team about doing kind of rethinking through like an actual like demo. And maybe if we don't hear back, we'll just, we'll ping them and mentioned that, we talked with you maybe like next Monday or Tuesday and just say, hey, we can schedule like a partsledger meeting to do a deeper dive than we did.

KRIS

29:23 Yeah, I'll let him know and I'll let them know to reach out to you.

LAUREN

29:27 Okay. That sounds.

JANAE

29:28 Good, perfect. I don't have any.

LAUREN

29:31 The question?

KATIE

29:32 Yeah, no, I think we covered everything that I had on my list. So I think we're good.

KRIS

29:37 All right. Thanks, Lauren. Thanks Katie.

KATIE

29:38 Cool. Thanks, case. Have a good one. Bye bye.

The End