



Harrison-Orr Air Conditioning LLC & ServiceTrade Consultation

Matt Hetrick with Harrison-Orr Air Conditioning LLC
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Participants

SERVICETRADE

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Transcript

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MATT

0:00 Hey, good morning, Troy.

TROY

0:01 Hey, good morning. How are you? I'm well.

MATT

0:03 How are you?

TROY

0:05 It's been a busy morning. Busy busy.

MATT

0:09 The weather, is it the time of year?

TROY

0:12 It's just, I don't know. We haven't been able to get caught up, you know, usually this time of year, we get a little breathing room and we just haven't got it. So.

MATT

0:23 Yup.

TROY

0:25 A...

MATT

0:26 Good problem to have that's right?

TROY

0:29 So...

MATT

0:30 Well, cool. Troy. My name is Matt trick. I am the outside territory manager for the south central United States. They usually have me running around in Texas,

Missouri, Louisiana, Kansas. So keep him pretty busy, but, I believe forget the name of the Brian, the one who set this up. He probably explaining this is more like a first date. This is just an opportunity for me to learn a little bit more about your role. Your company. What you guys needs are what you're looking for, but it's an opportunity for me to share a little bit of background, a little bit of context on service, trade, what we do, who we work with, how we can help.

--- Purchase decision ---

MATT

1:14 And then if at the end of that, we determined that it's a good fit and it sounds like there's some value there, then we'll go ahead and schedule a full blown demo where I'll give you a look under the hood, we'll take it for a spin and kinda show you how we help commercial service contractors. Does that, does that sound like a fair plan?

--- Purchase decision ends ---

TROY

1:29 Yeah, sure.

MATT

1:31 Excellent. So, I'm at a hotel I'm running a little bit late. So I haven't had a chance to look at his meeting notes from the call that you guys had. So if it's cool with you just kinda start from scratch, just learning a little bit more about, you know, what your title is, what you're in charge of over there, and then we'll talk a little bit more about the company's make up.

--- Type of work ---

TROY

1:51 Okay. Yeah. Well, I'm the service manager for the service department. Of course, we've got see here, four, six, a 10, 12, 14, 1,618. We got 19 service technicians for hvac and six for plumbing... that's the total of the service department in the field. And then I've got, I got a billing clerk who does all the invoicing, sending out the, you know, the bills et cetera. Then we've got two dispatchers, and then I got two service estimators, and then we have another gentleman who kinda takes care of our national accounts for the most part that makes up the bulk of the service department.

MATT

2:42 Yes. Now, tell me about those national accounts about what percentage of your customer base for service is national accounts?

--- Type of work ends ---

TROY

2:49 You know, right now we have... it's not a whole lot in terms of, you know, have you ever heard of brinco mechanical? Okay. We, we, they were real huge with mas, you know, and, they, I mean, we still do a lot of work for them. They're they're nationwide, but of course, with the death of the malls, they, they're you know, a lot of their business, you know?

--- Pricing ---

TROY

3:23 So we don't I mean, it's not as originally, I would have said probably 30 to 40 percent of our business was with like national accounts, but it's probably dropped down to maybe 20, maybe even less than that. They're probably the, we do some work for, you know, men's were like that.

--- Customer engagement ---

MATT

3:47 Yeah. Well, the, you know, the service channel, cbre... egos, all that stuff is, it just makes it challenging because no matter how streamlined you get, no matter how differentiated of a service experience, you want to provide your customers so long as you're jumping through their hoops and you got a middle man kind of a buffer between you and the customer, you, their rules. And it tends to be lower margin work because they also turn you into a commodity so you can't really become a premium brand that charges a premium price because you're worth it, you know? So it's good that number has dropped. And hopefully you guys feel the same way.

--- Accounting integrations ---

TROY

4:26 Yeah, no, we, in fact, we get, I don't know every week we get calls from these, you know, hey, we service, you know, such and such across the state and it's like we're not interested. You know, probably, our biggest customer though is you mentioned Kareo, we work for at and T state wide, which they are managed now through JLL which uses Kareo.

--- Accounting integrations ends ---

TROY

4:54 So we're you know, very familiar with that obviously. So, yeah, but basically, I mean back to the company started in 1960, we've been here a long time in fact, you know, probably, in, our primary business. I mean, the service department, you know, we're a small portion of the company even though we're kind of, you know, like say we're the face of it.

--- Type of work ---

TROY

5:21 Obviously, we're the, you know, got a fixed stuff when it's broke, but the bulk of the business obviously is industrial and commercial Construction remodel work. So our Construction sides probably got, I don't know, I think we're around 120 employees over there. So that's, the bulk of the business, of course. So.

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

MATT

5:43 Yeah. And I'll take down notes as we go. So when you see me typing, I'm not, you know, messaging or emailing or any of that. I'm...

TROY

5:51 Fine. Okay. Yeah, we're a family owned company. There's. Just one owner, of the business. The son in law will probably take over some day, I'm sure. But, but yeah, that's pretty much it. I mean, that's as far as our customer base, we still do. And I think I told that Brian, I talked to yesterday, you know, I was talking to him. I said we still, because we've been here so long we still have residential customers.

--- *Type of work* ---

TROY

6:24 We don't have a whole lot. I mean, I should say that we still got quite a few but we don't solicit it, you know?

MATT

6:31 That's...

TROY

6:32 You know, sure. We're gonna, we're gonna come out if you're willing to pay what we charge. We'll fix your stuff, but that is that but we do zero residential Construction. I mean, it's either service calls or replacements. We don't we don't because we don't advertise a thing. We have zero advertising our Van.

MATT

6:53 Yeah, I could kinda tell that based on your website, it was like, yeah, they probably haven't updated this in a while.

TROY

7:00 Yeah. We, we, it's got, yeah, people, we chuckle about our website all the time. So it's you know, it's just word of mouth and customers referring customers and, or we do a Construction job and then we wind up assuming, you know, the contract and taking care of the customer from there. So.

MATT

7:21 Yep, absolutely. And that's so a lot of our customers are very similar in that they started with Construction.

--- Type of work ends ---

MATT

7:27 They sprouted a little baby service department usually backed by popular demand from the customer, discovered that the margins are significantly higher on the service side. That service tends to be recession proof. So, you know, it kinda with stands, the dips in the size, of, the market and the demand for new Construction. So you got to have it. It's worth hitting the gas on growing that thing as much as possible. But it often, it's easy to forget kind of as the, you know, the red headed stepchild where Construction, the dollar amounts are so big that's where everybody's focused. And then the service department kinda gets forgotten, you know, they're kinda considered a bonus, but it's such a critical part of a well balanced mechanical operation.

TROY

8:13 Yeah. Well, that's like, I mean, we're a small fraction of the overall revenue, but we're the highest profit margin.

MATT

8:23 That's why that's right? Which makes you significant, some companies understand that they value it. And they also foresee an impending recession if we're not already feeling it. So, a lot of mechanical contractors and fire life, safety contractors are hitting the gas on service. They want to invest in the infrastructure to make it as scaleable, as streamlined and as profitable as possible. And probably single handedly, one of the best things you can do for that goal is software. And it's probably why you're talking to me because... if you think about software, it was kind of last to hit your industry, right?

--- Customer engagement ---

MATT

9:05 I mean it hit residential first, but that's because Susie homeowner was getting higher expectations a customer service because she was exposed to Amazon prime, Uber, dominos and door dash. So they're getting coddled your residential, you know, a mechanical contractor needs to rise up to that, but that is steadily creeping into the commercial space as well. Where what you provide the customer is going to really shape their service experience and reflect on you as a business. You know, the only thing you ever send the customers an invoice. The only thing they're going to talk about is price. So what service trade is really about is making it really easy for you guys to leverage technology to tell the story to the customer with pictures, videos, audio, memos, online repair quotes, that they can approve with a click of a button... even if you want an online customer portal where they can log in and access equipment history, access outstanding quotes and invoices, pay their invoices online. So that kind of experience. If you think of, you know, because software was so late to the scene for commercial. I think, I know there's a lot of contractors out there that view it as... you know, as like a nice to have.

--- Customer engagement ends ---

MATT

10:26 They don't really, they kind of view it as just another light Bill, you know, another utility Bill like, yeah, we gotta have some software, we get that, but do we really need the cataract? But when you think, when you recognize that all of your revenue generating activities starting with your technicians in the field, flow through this infrastructure, it becomes the circulatory system of your service operation.

--- *Customer engagement* ---

MATT

10:48 So instead of having that be a wash board, dirt road, you want that to be a super highway because that just means that you're gonna get more work done. You're going to generate more revenue per tech. And then with something like service trade, you're gonna improve customer relationships.

--- *Type of work* ---

MATT

11:03 So that's just kind of us in a nutshell, we'll talk a little bit more about that, but let's talk about actually before I ask you this next question, maintenance contracts. Are you guys big on maintenance contracts?

TROY

11:16 We, yeah, we have, and I meant to look through before you called and I forgot to do it to see how many we have.

--- *Recurring maintenance* ---

TROY

11:24 We, we do sell PM contracts. We don't do any full service contracts. It's it's all, you know, either semi annual quarterly, you know, filter changes, you know, the typical whatever. And a lot of those are still well, like I told you bring, you know, they keep a maintenance contract on almost all their customers. So we have a, of them well enough so that we're always behind. I get them.

MATT

11:59 Sure.

TROY

12:00 I think every service department though, is.

MATT

12:05 Is it a goal of yours to increase the number of service contracts?

TROY

12:10 You know, it's kind of a double edged sword because, we actually just talked about this last month. You know, the problem I have right now is the ones we have like summer time, for example, rolls around and any PM that's due and say from June, July and August, you know, it's almost can't get them all done.

--- Type of work ---

TROY

12:34 And so then the question is as well do we wanna sell more when we can't even get the ones done that we're trying to get done right now?

MATT

12:43 And, here is the catch 22 of that. And this that holds a lot of contractors back. The more you stay on top of your maintenance agreements and quote out, pull-through work.

--- Type of work ends ---

MATT

13:00 The more you reduce the chaos of that on-demand break fix work, right? So it's one of those situations where you're drowning in the chaos. So you, you're trying to tread water, right? So it makes it hard for you to get to the PMS. But the more you prioritize PMS, for example, maybe you designate one or two technicians to focus exclusively on the PMS and the less you treat them as this filler option as this backup option for when things get slow, you'll actually bring, your service operation back into balance, right? The other benefits of maintenance agreements, number one from, you know, if you guys ever go to sell your business, that's something that's on the owners minds having a higher amount of basically subscription revenue, that recurring revenue on, the balance sheet creates a higher evaluation for your business. So it's more attractive to equity companies that want to come along some day. So it's worth it. There. Two maintenance contracts open the door for significantly more pull-through repairs. So instead of you guys being associated with headaches, you know, your customers just waiting till something's on fire. And then they call you and then they need it yesterday. Maintenance contracts allow you to get there before things are on fire. So you can say, hey, this is reading funny ants. This one's drawn high. This one's sparking it's on its way. You really want to replace this before I end up having to call us in at midnight. You know, because, your freezers are down or, your building is not cooling, it's a better experience for the customer. It's a better experience for you guys. Creates a higher evaluation of your business and leads to significantly more pull-through repairs that you can be proactive about. So regardless of what you do with software, this is just, you know, just business talk strategy wise. If there's one thing you take away from any of our conversation, it is find a way to prioritize maintenance agreements. That is, it's just a tried and true method. It will make you guys so much better. So anyway, does all that make sense?

TROY

15:14 Yeah, yeah. And we actually, you know, of course, I don't know, you know, Columbus city's labor markets probably the same. You know, we actually brought a guy on this last year that was gonna do and he did do a majority of them, you know, the maintenance agreements, changing filters and that type of stuff. But, you know,

typical thing. First hot day, he's gotta go run emergency cost because everybody he's calling in and that's when you get behind, of course, you know.

MATT

15:43 Yep. You're not alone. You're not alone. And, I can appreciate the reality, of summer when things hit the fan. All the things that help with that. There again, is something like good quality best of breed software if you have a way. And, and I actually that will lead us into, I'm curious to know about your current process. But when you have a way to do more with the resources you currently have, big things can happen.

--- *Paper process* ---

MATT

16:11 You know, when you get a little bit more breathing room, when you're not constantly on the defense because a bad system, it's hard to quantify, the lost opportunities. It's hard to quantify how many phone calls you're fielding in a given a day. It's hard to quantify the amount of cash flow from getting invoices out a week or two late, you know?

--- *Accounting integrations* ---

MATT

16:31 So, so that's really what something like service trade aims to address is getting rid of all of, the waste, the friction, the stuff that binds you guys up on a day to day basis. So with that being said, what is, so, what's your current system? What's your current accounting system?

TROY

16:49 Our current accounting system. Well, that's a good question. Our accounting department uses some old antiquated. I don't even know what it is. I'm not an accountant. So what we currently do... well, let me just tell you what we have in the service department, we have avis were the old S2 thousand. I don't know if you're familiar with it. It's been around forever. In fact, the version we have is no longer even supported. It's that old. It still works. You know, it's the problem, is when they, whoever designed it, you know, back then, it was practical. Now, it's not, you know, the search engine is terrible on it.

--- *Accounting integrations ends* ---

TROY

17:38 It's old, you know, it's just typical software. And so what we do is they produce the invoice, you know, for the customer out of that. Well, then they just give a copy of it to our accounting department and they do whatever they do with it. You know, on their side, I don't really have any idea what they do over there. All I have to do is show them we made some money on this job or, you know, so that's what we actually use is as 2000. The problem you know, is when it was installed, of course, that was back in 2004. I believe... you know, we use paper tickets.

--- Paper process ---

TROY

18:22 Still. I mean, it didn't have, there's no electronic ticket with it. And then in 2000, when or in 2020 when COVID hit the then service manager, of course, everybody was, they don't want paper. They don't want to be using your pen. They don't you know, how it was.

--- Forms ---

TROY

18:41 So he went out and found a for lack of a better word. Well, it's you make it, it's your own service ticket. It's on a job form. You ever heard job form. It's electronic. You can just, you can build about anything you want on there in a form and it's an app and the tech just opens up the app and there's a service ticket and they fill it out and, you know, you can enter the information, you put your time on it et cetera.

--- Paper process ---

TROY

19:09 And then they submitted and it comes into the office. And then, you know, Alicia who takes care of the billing. She, instead of using a paper ticket and putting it into S2 thousand, she's basically taking the electronic version of it and putting it into S2 thousand. So it can be build...

--- Access to information ---

MATT

19:27 Couple of questions for you on that does S2 thousand not have a mobile app for the technicians?

TROY

19:33 No, it was before all of that.

MATT

19:36 Okay.

TROY

19:37 Is that like I said, it came, we got that in four is when it was put in. So that was before, you know, smartphones were just becoming a thing at that point. So, there was no app for it. And in that version so old, like I said, it's not even supported anymore. It's it's done.

MATT

19:58 Well, so STK, I think they came out with a new cloud base, something or other and, they do have a mobile app. Has you, have you guys not looked into that yet?

--- Accounting integrations ---

TROY

20:08 I...

MATT

20:08 We have a...

TROY

20:09 Little bit in fact, they're supposed to be sending me some info on it. Yeah, I think it's called vision now.

MATT

20:16 It is. Yeah.

TROY

20:18 Yeah. So, but yeah, I had, we haven't done it yet because here's part of the other thing, they've already bought a new accounting software system. They just haven't implemented it yet and it's supposed to have some type of service module with it. I don't know what the timeframe is for them to do that or even if they wanna use that particular part of it. And that's kinda why, they weren't really pursuing. And I haven't seen the new version of as 2000 or whatever they call it now.

--- Accounting integrations ends ---

TROY

20:52 Vision. I mean, I'm hoping it's better than what they had before kind of deal if it is. But here again, we're just, you know, right now we're in that stage of looking to see what's there and what we wanna move to.

MATT

21:07 Sure. Well... Troy, I have a lot of these conversations with a lot of contractors... and I can tell you just listen to the conversation. I can tell you the mistakes you guys are most likely to make with your current situation. One is, so the reason I ask about st K is a lot of times when people are on an older version, they, you know, they have a current vendor that come out with the latest and greatest, which is supposed to fix all the problems of the past solution. So usually that's the first place people go as it makes sense. It's come from the same vendor. It's all your same data. There's not a big transition that needs to take place. You know, logically it should be an upgrade and maybe the new cloud base is an upgrade based on all the conversations I have with contractors who are trying to escape the new STK, the new vision.

--- Accounting integrations ---

MATT

22:07 I don't think you're going to be happy with it because I don't think that they're there yet... your new accounting system. So here's an insider tip. Just about every accounting platform out there has their version of a service module, but it's important to remember that their wheelhouse is ERP accounting, right?

--- Accounting integrations ends ---

TROY

22:30 Service.

MATT

22:31 Is an afterthought. It's because a lot of their customer base does some form of service, but mind you, their customer base may be mechanical, maybe concrete renovation could be, you know, locksmiths or landscapers like everything under the sun. So, the service module that they usually come out with is a Jack of all trades master of none and it usually can't do much more than what the accounting system allows it to.

--- Accounting integrations ends ---

MATT

23:00 Usually, the best thing going for an ERP service module is how well it integrates with the ERP, which is fine. That's very appealing to your accounting department that's very appealing to the bean counters. But for people like you and your technicians on the front line that needs something user friendly that allows you to be fast and agile and get quality information in, from the field so that you can make more money, not be faster at counting the money coming in.

--- Accounting integrations ends ---

MATT

23:30 It's gonna be a win for them. They're gonna love it. And it's going to be a nightmare for you. The reason I know this again is because these are the conversations I have every single day with contractors all across the United States. So I know what's out there and I know like I said, the mistakes or the challenges that you're gonna face in this evaluation... you know, if you go the route of vision or if you go the route with, the vendors service module, then chances are, in a couple of years or even a year, you'll be back talking to us and we'll be having this conversation again. So if there's any way for me to help you avoid all those trials and tribulations and just jump straight to the making more money and having happier technicians and being able to do more with the resources you have. I'll do what I can, to help you with that. Do you know what accounting system they recently went with?

TROY

24:25 It is called structure.

MATT

24:30 Structure. Okay. That is not one.

TROY

24:35 I don't know if I have a copy of the. Yeah. And like I said, they, they've purchased it. They just haven't implemented it yet because I don't you know, here again, on that side of it, I'm pretty oblivious to what goes on over there. I don't know if there's an issue with what's taking them so long to do it. I'm trying to think that's the name of it. But obviously, it's made by somebody. I just don't know who, who's who makes it.

MATT

25:03 Yeah.

TROY

25:04 Yeah.

MATT

25:04 It's not a major player in the game. It's not one of the ones that I'm used to hearing about. I don't know if that's a good thing or a bad thing. Okay. Well, I guess perhaps more importantly, you're trying to see what's out there? Who else is aware that you guys need an upgrade in your service department?

TROY

25:26 Well, my boss does for sure. He knows, in fact, I just on here, we were talking about it. I told him I was fixing to have another call and he says, let me get here looking at more software and I said absolutely, he, he's aware of it. He knows we've got to do something because I mean, it's you know, it's bogging things down just because of the, you know, he knows it.

--- Purchase decision ---

TROY

25:51 He's he's aware it's just, you know, we gotta figure out what's the best fit, you know, what's gonna work, you know, how it is.

MATT

26:00 Yep, yeah, absolutely.

TROY

26:03 You know, and I've told Brian this yesterday, you know, last week or maybe it was a week before, you know, I had a demo from BuildOps, you know, I talked to those guys and, you know, it's a neat thing.

--- Purchase decision ends ---

26:17 It's it's pricey. It's like, wow you guys that's up there in my opinion for, what they do, you know, and they've got a few people here using it. Not as many as I thought after I thought they were going to have a lot more contractors here using that, but as one of them, we know pretty well and we were gonna reach out to them and see what they thought about it and what they think about it. So, and then I've had a bunch of others of course, just called and, you know, after talking to them, a lot of them aren't gonna work for what we do because a lot of them are, you know, flat rate pricing base and that, you know, kind of thing and it just doesn't work for the way, we work.

--- *Type of work* ---

MATT

27:01 There's not many platforms out there designed specifically for commercial service contractors. So service trade that's all we've ever done. It's all we're ever gonna do is commercial service contractors. BuildOps is a newer player in the space. I think they've grown quite a bit, but I've heard mixed reviews in terms of the reality.

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

MATT

27:22 I think they're starting to mature into their product where they're doing a better job of supporting it. But I, and I don't like talking about competitors because all the information I get is here say from other customers who have experienced it. So I don't know first hand... but, I think as a company strategically, they prioritize their larger accounts like they're 100 tech plus accounts. Whereas the smaller cats and dogs usually don't have the same experience that the enterprise customers have in terms of onboarding customer support, product support. And that kind of stuff. But that's a good one to be looking at. Of all the stuff that's out there. I'd say BuildOps service trade are probably your top two to look at service tighten is trying to get into the commercial space, but they're just, their architecture is residential. So they're not gonna make it. And then you got a bunch of other ones that are like you said, they're more for residential and they just can't do it. And you mentioned price. I think BuildOps in service trade again, I don't know but I think we're in the same ballpark and the idea is good is not cheap and cheap is not good. Usually if people are new to software and they've been on paper tickets or they're on some sort of simple, you know, PDF creator in the field, they have a skewed perception of what quality software, you know, costs. But the idea is good software is not another utility Bill. It's not something that you want to reduce the expense of because, the, I should say the floor on how much you can reduce your expenses as a business is very limited whereas the ceiling on how much you can use software to grow your revenue and go in the other direction.

--- *Customer engagement* ---

MATT

29:16 I, is almost unlimited, right? So sophisticated contractors are way less focused on reducing cost and way more focused on driving more revenue. Whereas traditionally, when you don't have something like software, the only way you really

can increase your revenue is by hiring more technicians or lowering your cost, reducing it overhead in the office, trying in, to find the cheapest parts, right?

--- Customer engagement ends ---

MATT

29:37 So that old school. Mentality that a lot of contractors are still stuck in, but it's the wrong play in a market where the demand for what you guys do is extraordinary. So you should be focused on driving that revenue as much as possible. And like I said, at the beginning, one of the best and easiest ways to do that is by investing in quality technology that makes your entire team better.

--- Customer engagement ---

MATT

29:59 It levels everybody's game up. So it's a level of efficiency you've never even seen before. You may not even think is possible. That said, I don't know what BuildOps told you for ROI stats, but for example, our average customer is seeing a 20 percent increase in their service revenue year over year.

--- Pricing ---

MATT

30:19 So if you take, your annual service revenue, what about, what are you guys do in a year, and just service?

TROY

30:29 I wanna say, I haven't seen for because our fiscal year just ended... and it looked like we were right at about four point three.

MATT

30:40 Point three. Yup. So, yeah, I don't have my calculator, but I could do the math on revenue protect. So even if a new customer is a bottom performer, even if you don't take the implementation seriously and you're not using all the features in service rate, say you only see a 10 percent, right? But 10 percent of four point 3,000,000 is 430,000 additional revenue every year. Better customers are seeing closer to 30 and 40 percent. So that number gets a lot closer to additional millions of dollars per year. So... that's the reason people choose service rate is they wanna make more money. Nobody buys it because they want to purchase the most expensive platform out there and we're not the most expensive but we're not the least expensive, you know. So with that being said, go ahead. Sorry.

--- Pricing ends ---

TROY

31:38 And I want you to me, you know, the way they kind of, you know, and maybe I just misunderstood, you know, I thought he was kinda like, well, we're gonna, you

tell us what you need and we'll kinda customize it, you know, well then it's like to me, it's like you're buying the whole thing. It's like we weren't even to use part of that, you know, I would, I need that if I'm not ever gonna use it, you know, kinda the thing where it's like, you know, they had some type of management whatever on their thing. I'm like we're not gonna use that. We don't need that, that's not even or deal. So why would I need to? Why would I want that? You know, I'd rather be alert for what I want and need rather than just, well here's a blanket thing. And if you use it great, if you don't well, it's still there and you're paying for it kinda deal.

MATT

32:26 So interesting to hear you say that because, we are very familiar with BuildOps in their claim to fame. What makes them, what really makes them a competitor is they both the all in one which every contractor out there is searching for that mythological fairy tale unicorn known as the all in one.

--- Type of work ---

MATT

32:48 Where like you said, now you're paying for a bunch of stuff you don't need. You guys probably don't need a lot of help on the Construction side. Well, they both that their Construction and service. All in one, you guys just need some for the service side that's all service trade does.

--- Type of work ends ---

MATT

33:02 But we're also about minimal viable product. Especially me, I'm not trying to Bill a shopping cart for everything you might use down the road. I wanna give you the bare bones. What are you going to get the most out of? And then you can grow from there. Then you can add on stuff as you guys get your feet wet with the core app. So it's kinda cool to hear you put it the opposite of what I usually hear where somebody's like, well, they do this. This and this, you know, we're getting all of this, you know, for, from one vendor. And the reality, is usually not that practical, or that helpful for, the company.

--- Accounting integrations ---

TROY

33:37 Yeah. Well, and that's just kind of an example too, you know, our old S2 thousand, you know, when they purchased it, you know, it had different modules, you know, typical and the version that we had, you know, it's got stuff in there that nobody would even have used at that time and it's paid for something that nobody's ever gonna use kind of thing like nobody's that or nobody, you know, it's just something that's not that big of a thing at the time to even have.

--- Accounting integrations ends ---

TROY

34:09 So, yeah, that's kinda where, you know, we just, it needs to be functional practical. And then if you need more, we'll say, hey, what about this?

MATT

34:21 Let me ask you this because it sounds like we're very much aligned and what you're looking for and what we do, which is good. How would you justify a software investment? What are the kinds of the key metrics that you would look for in a platform to know, that you picked the right one? What would that look like for you guys?

TROY

34:42 Well, at the moment, it would be obviously getting the dispatch system streamlined... to where there's let you know everything.

--- *Paper process* ---

TROY

34:52 Because right now, with the way the S2 thousand is that dispatch board is our very archaic kinda impractical. They don't they don't even really use it anymore. They have a spread, you know, like a spreadsheet to keep it on just to keep up with it. So that would be the first thing is streamlining that to make it easier for that portion of it because that cuts down right there like you talked about the chaos, you know, when it's busy, they don't have time to be, you know, multiple platforms, everything has been put back in one spot. And then of course, the speeding up of the invoicing, you know, the way we're doing it now even though it's a digital ticket and it's sent in digitally because we still have to convert it from that back into S2 thousand. It, it takes too long. It's it, you know, in the summer time. I mean, yeah, they get behind on getting invoicing out because.

MATT

35:48 How far, how far behind on that?

TROY

35:50 The bit varies like some of our customers, you can only Bill like our at and T, they only, you know, we only have to Bill them a certain time of the month. It's not a purring weekly thing, but yeah, sometimes a normal customer, we might get a couple of weeks behind getting one out, you know, so.

MATT

36:09 Too.

TROY

36:11 Yeah, that's you know, that's a real problem, you know, getting behind on that. So, yeah, that would be, the two. And of course, obviously the text that's a no brainer to make it easier for them to have the call, the information send in their time, send in the, you know, just speed it all up. It's all right there so well.

MATT

36:36 Have you guys talked about budget? What's your, what's your boss's name? By the way? I forgot to ask.

TROY

36:41 Lawn fed, is he's the secretary treasurer, and then Joe Mckinsey is the owner of the company, but lawns kinda the defacto it here. So anything involved in software, you know, he's directly involved in it?

MATT

36:57 What could you help me spell his name? I wasn't quite getting that.

TROY

37:01 His first name is L on lawn. And then the last name is FETT.

MATT

37:09 Lanfet. Okay. And he is, you said the defacto it guy?

TROY

37:14 Secretary treasurer, but, he deals with all things, you know, in our office computer wise, you know, software, all of that. You know, he's you know, the one that I go to with those issues and problems and everything. He's the one that he got to do something, you know, he's aware of it.

MATT

37:35 Okay. In, in your conversations with lawn, have you, does Joe know about the needs here? Is he support of that?

--- Paper process ---

TROY

37:46 Well, I don't know that's a good question. You know, it's kind of, I mean, he knows we need to do something as well, but... I don't know if it's kind of the, you know, we've done it a certain way for so long kind of thing, you know, how that is sometimes where it's kinda old school mentality. Sometimes if some of this stuff, it's just viewed as maybe overhead sometimes instead, you know, how it is, so.

MATT

38:17 Problem is again, there is such a high demand for what you guys do. You can do a terrible job and you're gonna make money hand over fist. So a lot of people just feel, like you said, we've been doing it this way, we've gotten this far and that's probably not gonna change anytime soon just because there's such a big demand.

--- Customer engagement ---

MATT

38:37 The difference is for companies that want to level up, they want to hire the best technicians to steal it from the competition. They want to win the best premium customers that pay a premium that pay their invoices on time. They don't shop around on repair quotes, they sign up for maintenance agreements, and they just take the suggestions that you give, for companies that want to level up and improve their customer base, improve, their fleet of technicians and make more revenue in the process.

--- Customer engagement ends ---

MATT

39:08 Those are the ones that invest in technology. But for the people that are content grinding probably have an outdated website and they just always go based on word of mouth, then I usually they're fine living in the stone ages and poor guys like you end up paying the price.

--- Purchase decision ---

MATT

39:22 So that's why I ask these questions because reality is Troy, there's no doubt in my mind, I'll make you fall in love with service trade. And I know that because we were designed for exactly what you guys do, it's like tailored to what you guys do. So you're gonna love what it does and it will grow your revenue.

--- Purchase decision ends ---

MATT

39:40 Undoubtedly, the question is do you have support from the higher ups? Are they, do they care about that? Is that something that they're willing to invest in? That's really the big question?

TROY

39:52 Yeah. And I think it, you know, here again, it's gonna depend on, you know, showing what it's gonna eliminate. Like like I said with the dispatcher, you know, being able to eliminate all this extra motion just to do something that should be one click of the button now or, you know, one click of the button. Well, now, maybe it's six, you know, is it gonna cut down on the number of calls he gets? Because, you know, when he sent the call, it didn't go. You know what I'm saying? That's where they're gonna look is what all is it gonna? It's gonna eliminate some paper right out the gate because now you don't have to do this. It's gonna speed up the billing process. Those are, what they're gonna look at is, what is it gonna, you know, what, where is it gonna save and improve everything versus? Are we just buying something because it's flashy and fancy.

MATT

40:49 Right on in a lambo, just to say you got a lamb just to show the.

--- Pricing ---

TROY

40:54 Yeah.

MATT

40:55 Absolutely. And that's the last thing, that we want. Like I said, that's our customers don't go to us for that reason, but we have a 95, it hovers around 95. Sometimes it dips below, goes above about 95 percent customer retention rate, which is gold in the sas space that's almost unheard of.

--- Customer engagement ---

MATT

41:13 The reason for that is once companies get on board and they see all that extra revenue coming in, it's a no brainer. And the technicians can't ever imagine going back to the system that they had before because that's what it focuses on the most is making your text lives easier so that you guys are generating a lot more revenue.

--- Access to information ---

TROY

41:29 So, is the real quick, so, is the... app that you got? I mean, I'm assuming it's just like an app you're going to open on your phone, is it compatible with about everything android, apple, you know, iPad, whatever?

MATT

41:46 Yup, android, iOS can be a smart phone, computer tablet. Yep absolutely, just download it. You could look it up today, right on, the app store and find service trade.

--- Access to information ends ---

TROY

41:57 Okay.

MATT

41:58 You can also look us up on software review sites like Capterra, and G to crowd. So you'll see, the ratings that we have there and you can also read customer reviews and stuff on that as well.

TROY

42:12 The contractors in a city?

MATT

42:14 Are using it right now? Yeah. Let's see. I'm trying to off of memory... you guys know luck in Bill at all?

--- Dispatch ---

TROY

42:23 Yep. I know guys over there.

MATT

42:26 So they're on service trade, trying to think of.

TROY

42:29 That, that other?

MATT

42:30 Company I haven't been there in a while.

TROY

42:35 United mechanical.

MATT

42:38 No, not them, there's another small one. They're I think they're out in also maybe is B line heating and air... there's. Hold on one quick second. No, I... need to find this company because it's driving me crazy.

--- Accounting integrations ---

TROY

42:57 Yeah. Well, now, in luck and Bill, I know several guys over there on, call them and ask them say, hey you.

MATT

43:03 Like...

TROY

43:04 This?

MATT

43:05 Yeah, they're relatively, I mean, they signed on over a year ago... their implementation, their big challenge was they wanted to integrate it with their new accounting system, which is Accumatica.

MATT

43:21 And so there was some stuff going on with the partner to get that to work, but we finally got that integrated and they're very happy with it. So, I don't know how long the technicians have been using it in the field, but hopefully long enough to where they can give you a pretty fair assessment of their experience.

MATT

43:42 I'm just looking up real quick to the other customers that we have out there. We also, we also do a lot of work with our other main vertical is firing life safety. You guys probably don't cross paths with them too much, but companies like fire troll?

TROY

44:02 Yeah.

MATT

44:04 Yeah. We've got a couple out there. A city, okay, customers, but the one that I'm the mechanic one that I'm drawing a blank on... is.

MATT

44:25 Streets streets mechanical.

TROY

44:27 Directors, yeah, I know some guys over there too.

MATT

44:31 Yup. And then Jackson mechanical is using our CRM tool. Northboundary we got automated building systems, FPS technologies as a fire and life safety contractor.

TROY

44:45 What, what did you say Jackson was using?

MATT

44:48 Northboundary that's, our mechanical CRM that's for basically selling new maintenance agreements, new projects and like tracking pipeline and projections and sales activity.

TROY

45:00 Okay. Yeah, because they're using BuildOps.

MATT

45:05 Yeah. Call them and ask them how they're doing with BuildOps. I'd be curious for you.

TROY

45:14 Well, two of their guys work here now, former guys, and they both, they didn't have anything really terrible to say about it. You know, they said there were some growing pains when they got it. Of course, they were right there when they first brought it in. He did say that, you know, at first the technical, the tech support wasn't very good, you know, when they had a problem, but I guess once they got it worked out, he said it seemed to be okay, you know?

MATT

45:43 Yeah. Well, Jackson is owned by a larger group. I forget the name, maybe, you know, the name, who owns it?

TROY

45:52 Ryan?

MATT

45:52 Ryan? Yep. So I think the whole Ryan family was kinda forced on, to build ups. I think there was a deal with the equity partners or something. I don't wanna misspeak. So don't take all this for fat. This is just what I've heard from my higher ups.

TROY

46:08 A...

MATT

46:09 Lot of them weren't particularly happy. It may have improved since then. Like I said, BuildOps is a younger company. So maybe they're working out some of the bugs.

--- *Type of work* ---

MATT

46:16 But what I hear from most people about BuildOps is they're way stronger on the project side, the Construction side, which is a perfect fit for a lot of contractors because like I said, they start out Construction, they have a little baby service department. So their bread and butter, the thing they want is Construction and then service kinda gets the leftovers. So, for companies that are looking for an all in one that prioritizes Construction and has a little something for the service department. BuildOps makes a lot of sense on paper, at least mixed reviews in terms of the reality of how it works for them. But for you guys looking exclusively at service, BuildOps probably would fall short for what you're looking for because it's doing way more on the Construction.

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

MATT

46:57 You guys don't really have a need there. The other one is mid state services. They're a kitchen equipment and refrigeration company. I don't know if you guys have heard of them.

TROY

47:10 Yeah, I've heard of them.

MATT

47:12 Yeah, they're another service trade customer. And then of course, we got a handful of fire and life safety contractors out there.

--- Purchase decision ---

TROY

47:21 Okay.

MATT

47:22 But yeah, so.

TROY

47:23 Who is?

MATT

47:23 Typically involved in the software procurement process? Who, who needs to be a part of an evaluation like this?

TROY

47:32 Well, that would be long for sure. Yeah. Yup.

MATT

47:38 Joe gonna wanna get into the weeds on this.

TROY

47:42 I don't know. I'd have to run that by lawn.

--- Purchase decision ends ---

TROY

47:45 He's he's in and out of the office a lot more, you know, that he used to be and I don't know if, he would probably just take whatever recommendations we would make and go off of that rather than, you know... I would imagine. But yeah, I do

something. I just have to ask him what he, what lawn, what he thinks about it as far as that goes.

--- Purchase decision ---

MATT

48:14 Well, have you guys, I know you mentioned price earlier. Have you discussed any sort of budget for a software investment?

TROY

48:21 Really haven't you know, it's just kind of since we started looking or since I started looking, you know, I really didn't have any idea, you know, even what to expect as far as, you know, I mean, I know a lot of it's cloud based.

--- Purchase decision ends ---

TROY

48:37 I know a lot of it's changed. Obviously, I'm not a software expert. I mean, the only software I'm involved with is when we have to renew our, you know, niagara licenses for our control stuff. Aside from that, I'm pretty oblivious to, you know, that's why we're looking. It's like what we got out, you know, what's you know, what's out there? What's it gonna cost? What do we need to look at doing? You know, because that's a whole another thing, you know, he talked about, you know, going to tablets for guys or, you know, eventually, so that's why we're in this stage of let's get something. Let's get planning now, let's figure out what we're gonna do and let's start moving that way so we can start eliminating all these problems that we're having.

MATT

49:24 Yep, that makes sense. You don't know what? You don't know?

TROY

49:27 Yeah, just like I said, with our dispatch situation, you know, it's taking them too much time to get stuff, you know, squared away in it's. Just, it's not working. It's it's bogging everything down and this is the year to start fixing it while, you know, I say it's slowing down.

--- Purchase decision ---

TROY

49:43 It's not, but it's not summer, but we should have a little more time to try to figure out what we wanna do before it does get super busy again.

MATT

49:53 Yeah. So, and that brings up another good point is, do you guys have some sort of timeline of when you'd want to be live with the new system?

--- Paper process ---

TROY

50:02 Well, what, what's the typical implement implementation time for something like this? I mean, is it obviously just you just don't put it in and go here. There you go and what we walk away?

MATT

50:16 No, no. So that's a lot of people's experiences with other platforms that's pretty notorious, which is why part of the challenge of my job is working through tram and past trust issues.

--- Implementation and ongoing support ---

MATT

50:28 We... we've done this so many times for over 1,300 customers that we have it down to a specific process. We've got a great recipe for success... company your size. We would a lot a four month service window. And with the goal of having you live in three months of beginning, that service window there's a lot you guys can do on your end to go live sooner than that.

--- Pricing ---

MATT

50:56 But you'd plan for four months with the upside of closer to like two and a half, three months of actually going live. Okay? This is a very popular time of year for mechanical contractors honestly your window to get something implemented by your busy season, which I'm guessing is may June.

--- Type of work ---

TROY

51:20 Well, our busy season actually probably starts more towards the beginning of April for us.

MATT

51:28 Okay.

TROY

51:29 Yeah. We'll we'll start chiller maintenance as well before that. And then some of our larger PMS, we actually try to get knocked out in April. Okay? And, and then the service call season, I mean, that varies that depends on the first hot day anymore that first, you know, so very.

--- Implementation and ongoing support ---

MATT

51:54 Yeah, the window is definitely closing on you guys. You know, if this is something that you've got more support than you realize from the top and service trade, you know, makes sense to you. We're willing to work as fast as you are to give you an idea. The way service windows work with us is there's a certain limited number of slots. Okay? And so once those slots, it's first come first serve customers take those. Then, the service windows start date bumps out another two weeks. So, for example, our earliest available service windows right now are January fifteenth, which if you add a four month service window onto January fifteenth, that puts you out, I think mid April or if you go live in three months, you're looking at mid April to be live once those two January fifteenth spots are taken from incoming contracts, then it bumps out to February first. And then you're looking at going live end of April. So that's what I mean when I say the window is closing. I don't want you guys to feel rush but that's just the reality. So, but, the process is very hands on. We wrap you with a team of services. You guys are not going through it on your own and we make sure that you're well oiled before you flip the switch and go live with it. And that's because we're not interested in a quick transactional sale. Our goal is not to toss you the keys and wish you luck.

--- Pricing ---

MATT

53:18 We want you to be successful with it from day one and we want you to get as much money out of it moving forward because your growth is our growth, right? To give you a ballpark on price without knowing exactly what you guys need because we haven't gotten into the demo yet, but you'd probably be looking at anywhere from 30 to 45 K annually recurring for service trade.

TROY

53:43 Now, is that a, do you guys charge per user? Or is it?

MATT

53:47 It's aligned with the technicians. So, we charge per technician, office users, admin staff are 100 percent free and unlimited. So I'm going based off just, the 19 text. But I'm also building in some room in, that or maybe six plumber texts if you guys added those. And then, you know, if there's other modules that you might need that's why kind of built in, that range there?

TROY

54:12 Okay. So, what's the average price per user or per tech roughly then?

MATT

54:19 Yep. So for you guys, it would be one 39 per tech per month.

TROY

54:24 Okay.

MATT

54:24 That's billed annually?

TROY

54:26 Yeah. Okay.

MATT

54:28 And you can find that right on our website as well in case you forget.

TROY

54:32 Yeah. So, so basically then rather than per user is only the field tech that that's okay. Right? Okay.

MATT

54:40 It's we align it with your money makers because the only way your price goes up is if you guys are growing making more money and adding more technicians, where's your office staff, they're overhead. We don't wanna nickel and dime you over people you're already paying for to keep, the business operational.

--- Pricing ends ---

TROY

54:55 Yeah, makes sense than per user because it's like, well, you can have 10 office users in some instances. Yup. Okay. Well, yeah. Let me, I don't know he may have already headed off for lunch. I told him. I holler at him after we got done talking. He had a meeting to go to. So I'm gonna run all this by him again. And so how soon could we look at a demo?

MATT

55:22 Yeah, absolutely. Let me see here... my calendar. So I think I am not traveling next week, so I should be grounded next week, which usually means that I'm more flexible. We could actually do as we could do as soon as this Friday afternoon around two o'clock your time or... Monday afternoon looks good and Tuesday is pretty wide open for me.

TROY

56:03 Okay.

MATT

56:05 Mornings, afternoons usually work better for you guys.

TROY

56:08 Usually afternoons, I'm looking at my calendar, it probably wouldn't be able to do anything till Tuesday.

MATT

56:14 Tuesday.

TROY

56:15 Yeah. Friday is booked up and so is Monday. Okay. Yeah. So Tuesday in is down. So I don't forget to put it on the calendar.

MATT

56:27 Yeah. And I'll send you an invite for this time. So Tuesday, I've got a one o'clock or two o'clock for you guys.

TROY

56:35 Two o'clock...

MATT

56:36 Two o'clock...

TROY

56:38 Yeah. Because what I try to do is I try to get obviously the dispatcher and Alicia, and, you know, several people to, you know, because they always got good questions, you know, things I don't think of that they do that I don't you know, like about this or, you know, so.

MATT

56:55 Highly recommended. I'm all about including the teams feedback. You can get a true sense of, yeah, of everybody that it will affect.

TROY

57:04 Yeah. Okay. Yeah. And I've looked at your website and read some stuff. So, yeah.

MATT

57:12 Awesome. Well, I always love it when people do research ahead of time.

--- Purchase decision ---

MATT

57:16 Yeah, go ahead, and run the time line, run the pricing by lawn and Joe, if you have an open line with him. And, and I say this for your sake because again, I'm not worried about making you and your team fall in love with this but it's time consuming for you guys to evaluate something that you really want and you believe in only, you know, weeks later to have it come down to the finish line. And the owner says it's not in the budget or the owner says, hey, this isn't a priority right now. So the sooner you can get that conversation out of the way, the more productive we'll be in the long run or the more efficient we'll be if it's not now, then maybe it's later this

year. But like I said, the sooner, you know, that the less time you and your team will waste on, you know, looking at software you can act on.

TROY

58:01 Yeah, no, most definitely. I mean, they know that I'm looking at stuff because they know I'm like we can't keep doing this.

--- *Purchase decision ends* ---

TROY

58:08 You know, you know, we're gonna come in here one of these days and then as 2000 is gonna crash and burn and it ain't gonna come back on... at that point, you're forced to do something, you know, in that scenario, I wanna be ahead of that before it happens.

--- *Pricing* ---

MATT

58:28 It's it's time for an upgrade. Everybody's doing it. Not that that's the reason to do it, but there's a reason they are doing it. And if you guys want to make more money and enter, the 20 first century, then that's what we're here for.

TROY

58:41 Okay. One last question too. So as far as the, is there a setup fee and a charge for all that? What, what is that? Typically? Just because I know he'll ask me what that is.

MATT

58:54 Absolutely. So there's a first year one time investment associated with a setup that includes your training, will load all of your data from your current system into service trade for you. That includes a sandbox account where you guys can test everything and it includes weekly meetings with, your project management team. So for a company your size, you're looking at anywhere from seven to we'll say 12 K depending on what you need. But it'll probably be closer to that seven K mark.

--- *Purchase decision* ---

TROY

59:26 Yeah. Okay. Yeah, I know there's always that. So I just, I know he'll see, I'm trying to think of all the to.

MATT

59:35 That's what you wanna do.

TROY

59:39 Okay. Well, I think you've answered all my questions and yeah, look forward to seeing the demo for sure.

MATT

59:45 Absolutely. So, I'm gonna send it out for, I'm gonna put an hour and a half on it if we miss the mark and you guys don't see the value 20 minutes in and we can end it short, but I would plan for an hour and a half to two hours.

--- Purchase decision ends ---

MATT

59:58 Usually, it only goes that long if you love what you see and you got lots of questions. So I rather give us more time and not need it than just give us an hour. And then you guys are running along with all these questions.

TROY

1:00:10 Okay. Yeah, that sounds good. That's why afternoons are usually better for us if they run long. We're we're not, any, we're not in a jam.

MATT

1:00:18 Yep. Absolutely. Well. I'll have Brian reach out and get you an invite if you just want to let him know who else needs to be on that, and he'll get their e-mail addresses, and then, he can include them all in the invite. Then we'll take it from there.

TROY

1:00:31 Okay. Well, it sounds good. I.

MATT

1:00:33 Right. Great. Meeting you. Troy really appreciate your time and I hope you keep having a great day.

TROY

1:00:38 Yeah, you too. Appreciate your time.

MATT

1:00:40 All right.

TROY

1:00:41 Bye.

The End