ServiceTrade | ICS Meeting

Jack Gauss with Interior Climate Solutions
Recorded on 1/3/23 via Zoom, 20 min.

Participants

SERVICETRADE

Jack Gauss
Tier 2 Manager

Matt Hetrick
Field Manager

Tim Spink
VP of Outside Sales

INTERIOR CLIMATE SOLUTIONS

Aaron Mims
Vice President of Operations

Tommy Barnes
President & Owner

Topics

Transcript

TIM

0:00 All right.

TOMMY

0:04 You made it.

TIM

0:05 Hey, man. Hey, Tommy. How's it going?

TOMMY

0:07 It's going well, happy New Year's guys.

TIM

0:10 That's weird you?

TOMMY

0:12 Time for another fun trip around the sun.

TIM

0:16 You're not killing?

TOMMY

0:20 Good to see. You. Got Jack all cleaned up there. Looks like you got a haircut since we last talked.

TIM

0:24 He did. I probably have.

TIM

0:28 That's right here. Come, Matt... I put Aaron on the invite just because is he going to be joining or?

TIM

0:36 Run around out.

TIM

0:37 There?

TOMMY

0:41 He's in his office. All right.

TIM

0:44 I go to join.

TIM

0:46 If you want to.

MATT

0:47 You...

TIM

0:47 Put some pictures up.

TOMMY

0:49 A little bit, a little bit. Hang on one sec. Let me.

TIM

0:56 I can go.

TIM

1:04 Hey, Matt.

MATT

1:05 Hey, guys.

TIM

1:07 How's it going?

MATT

1:08 It's going well, apologize for being a couple of minutes late. I was on with Lauren and ran long.

TIM

1:15 You're fine. We had some.

TIM

1:17 Technical do.

TIM

1:18 Audio issues.

MATT

1:20 Good, good.

TOMMY

1:21 I don't know if he's coming or not.

TIM

1:23 That's fine. No.

TOMMY

1:26 Man, it's just like getting the whole gang back together.

MATT

1:31 Reunion...

TOMMY

1:38 I don't know if are coming in or not. But anyway, we can get rolling here.

TIM

1:43 Yeah, we got you. We got you on our end just fine. So, I brought Tim and Matt up to speed from our conversation.

--- Implementation and ongoing support ---

TIM

1:52 I know it was big into too much detail but I brought them up to speed in terms of, you know, is a growth goals and, you know, making sure you have the right platform place to help you get, you know, achieving goals and not blocking you as you're kind of running into that right now and trying to see if maybe service trade is the right answer for that and kind of rediscovering that, you know, if we are the right choice and just...

--- Implementation and ongoing support ends ---

TOMMY

2:16 Well, yeah, you guys, I mean, for all the reasons we went with you originally, the main thing was that Aaron and our team at the time that we had with way engineering, you spent a year of your life, not more. Yeah, that they, you know, they knew how to run the software, they knew what it was like. And then I guess once we

started turning it on and they realized there's a business side of this that, you know... they realized he didn't know what as well as they did, but they could at least function with it and it worked. And my big concern at the time one, we, you know, we were having a lot of errors. We were having a lot of connection problems we were having. I went back through all my notes and stuff like that, you know, just to see Lindsay wins name just kinda made me shudder a little bit that it just felt like we weren't going anywhere and, you know, you guys put forth the effort to come here but I had to make a decision at the time that I knew I was going to grow really fast and we had nine trucks in January. We've got 56. Now I've got 75 on order for to be here by April. First, everybody's busy. Everybody's working and we're really going the business. We were looking for more immediate revenue and expense by asset and we went to service.

AARON

3:45 I...

TOMMY

3:47 Didn't do it, and we went to... BuildOps, which promised it, but they weren't ready.

--- Purchase decision ---

TOMMY

3:54 So I don't know what I'm gonna do but what I can say is that I wanted to revisit with you guys because we liked how easy your screens were on our eyes. It had a good flow... and... BuildOps just isn't doing it. And I definitely can get into that more and more if you want it for your sales pitch later to others. But, you know... to their point, they're like, hey, we let you down. We're not even gonna charge you. So I'm gonna give you back your payment for last is month and, you know, we're trying to work with you to get it there.

--- Purchase decision ends ---

TOMMY

4:38 But again, we're having issues with them that it's just like I can't grow anymore until I get a good platform underneath us. So, I guess was saying that I'm hoping nothing really is a deal breaker at this point other than it just needs to be staying when it needs to work and working with Britney... Lynch at the time. You know, I was almost as good at making recipes for your portals as she was getting and saying, hey, this line of code doesn't look right. It says, this is supposed to say that... you know, I just like to know what have you guys done in the last year and things better. I know you bought some folks. You got an infusion of cash, give me some highlights.

AARON

5:21 Yeah. And you got any, got Jack to come back?

TIM

5:24 I know, right? That's the biggest highlight.

TOMMY

5:27 Yeah. With the hair.

TIM

5:29 That's right?

TOMMY

5:30 You good. I'll quit picking on you. I'll quit picking on you.

TIM

5:36 Yeah, no, I mean just as a highlight, so we're gonna close the year. It looks like this year, we're gonna grow another 50 percent year over year. So we're still going and blowing you're right? We took a round of investment from JM I, and the bulk of that investment you're right was for things like development larger development team. So that team has doubled in size. The other thing we did was we wanted to sort of solidify the two positions or the two sort of markets that we're focused on. One is fire and the other one is mechanical. So one of the acquisitions we made was a company called Northboundary because one of the things that we wanna be really good about is with the ability to say, hey, I need to quote out this work. And when I quote out this work, let me then take it, put it inside of ServiceTrade with all the services, all the frequencies, all the tasking, and then measure my performance against those contracts.

--- Customer engagement ---

TIM

6:38 So I know going forward, I might, you know, am I number one making money? And number two, if I'm not, I either gotta get rid of the customer up my pricing. So we're really focused on helping with the pull through and with you guys with any of our customers with the ability to sort of take as much money as they can from their current customer base.

--- Customer engagement ends ---

TIM

6:58 With the primary focus... again in the mechanical space and fire, those are the two areas that we remained focused on. We did sure up some of our integrations, Quickbooks is probably better than when you were using it. I wouldn't say it's great but I'll say it's better. We've also done a better job now with some of the Sage products. I don't know if you've looked at any of those as well, but of course, Sage intact, Sage, 100 Sage, 300... we are, I would say dozens of customers now into that. Actually when I'm right there and well, they're I guess they're well Houston's corporate, one of the deals that Jack worked on to, but it's not way, but it's another big mechanical there in Texas.

TOMMY

7:47 Okay. Yeah, I am familiar with them, you know, the, to jump into intact. It's about a 30,000 dollar stand up fee. I get it. But, you know, Quickbooks is meeting our needs for now. We're doing our payroll through em and a lot of these other things. So it just kinda makes sense.

--- Pricing ---

TOMMY

8:02 Let's just keep right? That works for a little while. We're still growing, you know, to your point as you guys know, I mean, if we go from, I don't remember we grew five times in Q3 that we did the previous Q3. And overall 2022 was a 450 percent increase over 2021.

--- Pricing ends ---

TOMMY

8:23 And, you know, you shove a bunch of money into the trucks and all of that. I just burns the hell out of the cash flow and you don't get that back for 90 days or whatever. And we just haven't stopped steadily growing. So, you know, gotta hold on to our cash until it's time to drop out on the back side.

--- Invoicing ---

TOMMY

8:41 But with that said, I definitely can appreciate what you guys have put together and seeing what you have. So we're still on the Quickbooks?

TIM

8:54 Was it online or it was online, right? QB?

TOMMY

8:56 Yeah, yeah. It's Q do, and really, it's... I don't remember. I didn't have a problem with the partsledger that made sense, but I don't remember if there was some payment thing, we kick the payments out of Quickbooks. That was there. I don't remember if there was something on you guys side that we had to do?

TIM

9:17 No.

TOMMY

9:17 Process payables through you, right? We process payables through Quickbooks.

TIM

9:21 Yeah, I don't think we, yeah, you probably.

AARON

9:25 Something we were messing with and I'm not sure if it was like credit cards on service trade or something like that, but we never really dove into all the way.

--- Accounting integrations ---

TIM

9:34 Yeah, it was fairly new when you guys were doing that back then.

AARON

9:38 Yeah.

MATT

9:40 And just to add to Tim's highlight real, speaking of the Quickbooks integration because I remember that being one of the points of contention when you guys were a customer, we actually brought on a Quickbooks specialist.

--- Accounting integrations ends ---

MATT

9:52 So, and she actually comes from a former mechanical contractor and actually was a, is a customer was a customer of for service trade. So she kinda has the industry knowledge and she focuses exclusively on Quickbooks both desktop and online. So that's a great resource for our customers. I'm sure Jack has mentioned that partsledger is a whole new platform, new looks smooth flow. So that's something all of our customers have switched over to. So that's something that we're looking forward to showing you. And then probably the other really big thing for us is project management features. So all of our customers typically have in common the concept of a small project.

--- ST app contracts and pricing ---

MATT

10:36 So not a full blown Construction job that involves Aia billing and, you know, a bunch of subcontractors, but those small, you know, few week to few month projects like retrofit and change outs and stuff. We've developed the ability to create budgets, you know, be able to Progress Bill and phases and whip reporting is the last feature that I think is either being released or we're right on the verge of that. I don't know Tim if you have the latest on that.

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

TIM

11:05 I don't I'm getting an update today at three 30 before or four 30.

MATT

11:11 Yep. Yep. So those are some other highlight some other areas that we've been investing in.

TOMMY

11:18 Okay... cool. And project management to stand alone. It seems when you're in it but different.

MATT

11:29 Built right into it. Yeah, it's yep. All right.

TIM

11:33 Cool.

MATT

11:35 And also, you don't pay extra for project management that's kinda built in like the quoting. So it's not like an add on module or anything. I got you. Okay?

TOMMY

11:45 Well, you know, when I talked with Jack like, hey, why don't you get with Matt and Tim and see if they want to get back in the boxing ring because I may have out worn my welcome with, you know, just frustrations over times and I call down a little bit starting a brand new business. I was a little Tim. I met, I...

TIM

12:02 We get it, man. We get no, no need to apologize. Okay? And I mean, I remember sitting in your office and you were, you know, you were right to be frustrated by... the fact that you had to manually go back over to service rate and fix a invoice. I mean, that drove me nuts. So I get.

TOMMY

12:23 Okay. That's cool. All right. Well, what do we do? What do we do to move forward? What should we do? I mean, is there something new to see that there was a change in the, is there any changes in the flow or how they... take a call? You do a quote, you can turn the quote into a work order. You can do the work. If we do the work order, we can do a quote and add it to it with cost incurred mean we're a complex little service organization. I get that. So.

TIM

12:55 I would say the one thing that, so all that's still there, everything's still good. And you're right? You could probably pick back up. But from a mistake that we made, I think to first go round was services, we should definitely sort of scope out getting, you know, because the biggest thing we'd have to do is get all your locations updated, get all the services updated. If you have items, getting all your items updated, all those things that are extremely important because again, the user experience, we wanted to be better out of the shoot day one. And I think some of the mistakes we

made last time is we didn't do our due diligence, setting it up correctly to make sure that we... launched correctly, I guess is the best way to put.

TOMMY

13:37 What kinda comes into my mind a little bit and it was from the standing up is that, you know, we would talk with Britney Lynch and it would be, you know, she would give us instructions. Okay, do this to this. I'm like, well, I'm not seeing that, then we would share her screen and she's like why don't you see that? And that was the stability piece. I think that I just want just kinda point out a little bit was it just seemed to be quite a bit of the disconnect. Is that if you're doing 50 percent year over year growth, I'm assuming almost all of that's pretty much done. I can move off of that.

--- Implementation and ongoing support ---

MATT

14:16 Yeah. Again, I would say that should be much better. But also the big thing with having services which we didn't do the first time around is you get a longer runway where you're not only provided the technical support to stand the things up but you also get training on how to do all that stuff. And you've got that window to do some testing before you're flicking the switch and going live with it. So.

--- Implementation and ongoing support ends ---

TOMMY

14:39 Okay. So services is not services we provide made up of items and assemblies and all the services is something you guys provide as an assistance to us.

TIM

14:50 That's...

TOMMY

14:50 Right.

MATT

14:50 Yeah, the user experience, right?

TOMMY

14:54 Yes.

MATT

14:55 It's that.

TOMMY

14:56 More than the sandbox, correct?

TIM

14:59 And that, yeah... the first time, yeah.

MATT

15:04 I guess kind of paving the road while you were driving down it?

TIM

15:07 Yeah, that's a good analogy.

TOMMY

15:09 Okay.

MATT

15:11 Testing environment. Things can be, you know, challenging or frustrating until you get it figured out. But I can only imagine when you're actually starting to run your business and you're discovering these little hiccups that it's gonna be, you know, it's easy to get the tensions to grow high with something like that. So this time, we would absolutely do it, right? Tim and Jack, you're welcome to, you know, offer your feedback disagree, but I think it would probably be helpful to see the new partsledger before.

TIM

15:38 You know.

MATT

15:39 Signing anything official.

TIM

15:41 I would think expert getting expectations completely aligned, especially, you know, Tommy ever since we've known you very specifics about your types of reporting, what you wanna see.

--- Purchase decision ---

TIM

15:50 So, I think just kinda going down that, you know, that conversation again of, you know, what we can and cannot do just making sure that there's no surprises. I think that's probably the most important thing for us to do.

TOMMY

16:02 I agree.

TIM

16:04 A call, yeah, set up a call that with Diane.

--- Purchase decision ends ---

MATT

16:08 That was going to be my other suggestion partsledger. And then I like Jack's edition of, you know, kinda going through the, what can you not do?

AARON

16:15 Well, the new boundaries opened up a lot of windows. Didn't it, yes, especially for the reporting aspect.

TIM

16:23 Yes, but a lot on the front end of tracking, it's a sort of like Salesforce, right?

--- Customer engagement ---

TIM

16:29 So it allows you to track all your activity on the front end. And then once you win that business, it allows you to quickly put it into service rate because we know the location information, the assets to services and it dumps it all right into service. It's a good front end tool that the quick site reporting has gotten better. That's our analytics tool. And that reporting has gotten better because we did hire some resident experts in reporting.

--- Customer engagement ends ---

AARON

16:54 Okay. Yeah.

MATT

16:55 Yeah. In the Northboundary, that's a fresh acquisition. So, a lot of the integration and the interplay between the two is still being developed. But by the time that you guys would go live again, that would that a lot of that stuff should be ironed out.

TIM

17:10 The stuff that I mentioned is actually already there. So they are now moving over location services and assets.

MATT

17:16 Wow. Awesome. Things are moving quickly there. I like that.

TOMMY

17:21 Okay. All right. Well, if you want to set something up later this week, I'm gonna be traveling quite a bit next week, but I'll be back in the office Thursday and Friday, but if you want to set something up, I said later this week or next week, whatever kind of fits, we'll just do a fast little demo and you guys can run through everything that you got, maybe record it and flip it to me when we're done, you know, recall? I think that would be great. That would be a great next step.

TIM

17:53 Yeah.

MATT

17:54 Do you guys, is the coda still with?

TOMMY

17:56 Yeah, we try to run him off. He's... like the harder you slap in the pastor, he comes back. So... you have to go still here.

MATT

18:07 That's good. That's good. Okay. Well, that's what I'm thinking is we'll set up partsledger demo. I'm thinking we could probably get Dan on that, make it like an hour and a half. So we have enough time to run through partsledger and talk about the Quickbooks integration. Okay. So I'll just make sure to add Dakota, Aaron and you, is there anybody else on your team that we would want?

AARON

18:28 Yeah, we can forward it on our side once we get it.

MATT

18:31 Okay.

TOMMY

18:31 Yeah. Yeah. We may just have everybody in my office with the, I got a TV. Big TV here. We can just set it up via group on this.

TIM

18:41 Okay.

MATT

18:43 Well, I'll probably shoot for something for Thursday early afternoon or Friday morning. I'll be more specific when I figure out everybody else's calendar, but.

TOMMY

18:53 Thursday or Friday morning, we got some folks coming over here to visit the nine to 10 30. I think it was Central Time be, I'll be booked up.

TIM

19:06 Okay.

TOMMY

19:06 Off the, you can do it after that. I mean, you can do it 11 or something on Friday if you wanted to do that central.

MATT

19:12 How about one 30 your time?

TOMMY

19:15 So, Thursday do?

AARON

19:19 This Thursday or next Thursday?

MATT

19:21 This Thursday?

TOMMY

19:28 I'm good.

AARON

19:30 Yeah, I'm good too.

TOMMY

19:31 Yeah. And we can record it, Aaron. So if somebody messes it, we can share that deal just to get back into it. Yeah, this is what they said.

TIM

19:42 Okay. Yeah.

MATT

19:43 That's looking good on our end too. So I'll get it with the other team members from our side, and I'll get an invite out to you guys for one 30 on Thursday, the fifth.

TOMMY

19:52 That's fine. I'm open all afternoon. I got a meeting in the morning at nine am on Thursday, but I'm open in the afternoon.

--- Purchase decision ---

TOMMY

19:59 So, feel free to fill it up however you feel is appropriate. Okay? We can move around a little bit. All right. Good. Well, thanks, guys. Appreciate the time and the conversation.

TIM

20:10 Yeah, same good. Talking to you Tim.

AARON

20:13 Yeah, I...

TIM

20:15 Hear.

AARON

20:16 See. Yeah, happy new year.

MATT

20:18 New year.

The End