

## Growing and Scaling ALEX

### Before You Grow And Scale

Alright, guys. This is gonna be super short, but super important. K? So before you grow and scale your business, there's a reason we put the course in the order that it's in. That's because you need to have two things done before you start to grow and scale. K? So number one, you need to have gone through the hourly rate calculator, booked your review call with me, and then gone over it. Okay? After that, you need to start charging your hourly rate. Okay? If you're not currently charging your hourly rate, then you need to start. Number three, you need to hire a marketing company. So you need to hire a marketing company that meets the criteria of a good marketing company. Basically, does everything that is on that marketing checklist, is easy to communicate with and is starting to get you work. Okay? And then number four, your marketing is starting to work. Okay? That's what you need before you start to grow and scale your business. Okay? Because what happens when we try to grow and scale, but we don't have our hourly rate figured out, we end up not charging enough and then we're not profitable, which is a problem because we need to be profitable. Okay? And then if we start to grow in scale, but our marketing system isn't in place and it's not quite working yet, what ends up happening is we hire guys and then we don't have enough work for the guys. Okay? So you wanna make sure those two things are in place and then you can move on to growing and scaling. So regardless, go ahead and watch the next video growing and scaling so that you understand it. But if you haven't gotten these things in place, go back and get them in place.

### Growing And Scaling

All right. So you've got pretty much all of the basics covered for your plumbing business. You know how the internals of the business needs to run. You've got your pricing right. You've got your price book in place. You know the software you need. You know the system to follow, you know how to book calls, you know how to schedule, you know how to market your company. Well, now it's time to grow and scale your company. Okay? And really you can be growing and scaling while you're putting all of this in place. But what does that look like practically? How do you practically go about growing and scaling your plumbing business? Well, it's actually pretty simple and we're going to go over exactly how to do that in this video. Okay. So you kind of remember in the very beginning of this course, we talked about the overview of your plumbing business, right? So we have the owner, the GM, the technicians and the CSRs. Okay. And in the beginning, you're going to wear all of the hats. Okay. So this is you, a physical representation of you wearing all of the hats. You're going to do all the owner stuff, all the GM stuff, all the technician stuff, and all of the CSR stuff. Okay? And you're going to start putting marketing in place and you're gonna start charging appropriately. And then the next hat that you're gonna take off is your CSR hat. Okay? So you're gonna hire somebody, whether that's your wife or, you know, your buddy's wife or some woman that you put a job ad out for. You're going to hire her to answer your phones and run your schedule. Okay. And that's going to free up your time to do more technician work and then put more money in the bank so that you can reinvest more in marketing. So then you can go hire more technicians. Okay. And so a good rule of thumb is, you know, if

you're getting a few phone calls a day, you know, if you're getting three or four phone calls a day, you can hire a CSR. They really aren't that expensive. A lot of times you can start them off at home. You know, at that stage in the game, you're probably not going to have a truck. And they can answer the phone at home and they can just run your schedule, communicate with you on what's going on. You can have them call the customer and let them know you're running late, that kind of stuff. You can have them call the customer and collect money. So it's a really good position to hire out because it frees out a bunch of your time. Okay? So the next thing you're going to do, once you've got a CSR in place, she's taking all the phone calls, she's handling the schedule and you're putting some marketing in place. Well, you're going to start to get too busy, right? And that's a good thing. Once you're working every day, all day, and you're having to move people or schedule people to the next day, once you're doing that consistently for a couple of weeks, then you're going to want to hire a guy. Okay? You're going to want to bring in another technician. So then it's, you know, this technician over here is doing the bulk of the work and you're doing the fill in work. Okay. And your CSR is still answering the phone and handling the schedule for both of you. Okay. Well, once you're starting to get busy again, then you're going to want to bring in another guy. Okay? So maybe you bring in another guy and then you go do some more marketing to keep both of you busy. Okay? So the kind of the idea is, you know, he's super busy. You're starting to get super busy. It's time to think about hiring that other guy. Okay? So then once you notice that you're both continually busy, you start booking jobs out into the next day. Well, it's time, okay? So then you bring in guy number two, okay? So now you've got two guys, those two guys will be busy. Then you go invest some more money into marketing and the goal is to make you busy again, okay? And once all three of you are busy out in the field, then you've got enough work for three guys. So it's time to bring in guy number three. Okay. And then you're going to go invest in some more marketing, make sure that you can get enough work. And once you're kind of half in the truck and half out of the truck, that's why it's like kind of in between. That's when you're going to want to hire guy number four, because if you go run your numbers, you'll find that guy number four doesn't have to be busy all the time for you to be completely out of the truck. Okay? So as soon as you're just kind of busy, maybe you're working like half days in the truck, that's when I would bring in guy number four and I would move myself completely into this general manager position. And what I would do is I would pull all of my tools out of that van. I would leave them at home and I would say, I am no longer in the truck. Okay. And I'm going to do whatever it takes to stay out of the truck. Because when you're out of the truck and you move into just having general manager hat and just having owner hat, now all of a sudden you have a lot of time to work on your business instead of in your business. Okay? And that's when you really start being able to like focus in and make this thing a machine that can operate without you. Okay? So then you're gonna act as general manager for these four guys. And and they're going to need it. Okay. They're going to need you to be general manager for them. And what your goal is going to be is going to be, okay, how many technicians now do I need to add in to be able to hire a general manager? Okay. And I will say like some of you may want to stop right here. You may want to add one or two more guys and just play the general manager. And there's nothing wrong with that. Okay. Some of some of you might want to go to work every day and be the general manager. Others of you do not want to do that, or maybe you don't quite have the skill set to do that. So you're going to want to just think about, you know, go back to your why and be like, what do I want for my life? What do I want out of my business? And

what is it gonna take for me to get there? Does that mean that I stay in the general manager hat? Or does that mean that I hire a general manager and all I do is wear the owner hat? Okay? So once you have four trucks, you're typically bringing in enough revenue to where you can solely be in the general manager hat. And then you're going to want to add a couple additional trucks. You're going to want to go do some more marketing, add a couple more trucks so that you have that margin built back into your business. Okay. So you could stop at five or six trucks and play the general manager and you can make a pretty decent living. Right. And it's a pretty easy job. It's not difficult. But I would encourage you to move further because why not? So then you're going to add in six, two more guys. Okay. Once you get two more guys in, you can really afford to hire a general manager. So at about six guys and you can run this in your hourly rate calculator. If you go add in six guys and a general manager, you'll see what it does to your hourly rate, how many hours you need to sell, and you can be the judge of, okay, can I actually afford a general manager at this at this point? Or do I need to raise my prices to afford a general manager? Like that might be a thing. Or should I wait till I get to seven guys? Okay. It's totally up to you. But typically it's about six guys. If you're charging properly, if you're accounting for all of your expenses, if you're hitting your 50% gross margins, you can usually afford a general manager at six guys. So at that point, you're not going to want to stop there though, because at this point you've hit like that break point in your business. So you're going to want to add a couple more technicians so that you build that margin back in your business. Okay. So you're going to add a few more guys and you can go all the way up to with one general manager, you could probably go to 12 or 13 guys. But after that point, you're going to have to start thinking about bringing in more managers and kind of splitting off sections of your business. Okay. And we'll just if you guys want to go there, we can go there in the Zoom meetings. But for now, you know, I'm going to assume all of you want to go to a general manager, just one general manager and anywhere from eight to 12 guys. Okay. And you can have a, you know, 4 to \$6,000,000 business that does 1.2 to, you know, 2,000,000 in profit. Okay. So you have a really good business here. And with this many guys, a couple CSRs at this point, you're probably going to need to add in CSRs once you hit that seventh seventh guy, eighth guy, ninth guy, somewhere in there, depending on how busy you guys are. You're probably gonna wanna add another CSR. But then all you have is, you know, a relatively simple business that can provide you with lots of cash. And as you can see, you're the only one in the owner hat. Okay? This is the only hat that you're wearing at that point. Okay? And so at this point in your business, once you've got your general manager on board, you're going to get him trained, make sure he understands all of the things that we went over in this course, understands the business, understands how the money works. You're going to put systems in place for him to follow. And then you're really going to work on, you know, as you build this thing, it's going to be kind of messy. Okay. And that's totally cool. That's totally Okay. You're just going to have to expect mess and you're going have to be Okay with a little bit of chaos. Okay. Because when you grow, you can't anticipate everything. You can't think of everything. And so there's just going to be some chaos. But the beauty is once you hire a general manager, now you have the time to say, okay, let's wrangle this chaos in. Let's make this a better machine. Let's systemize this a little more. Let's really think about the nitty gritty details of this business and think about all the things that we could be doing better. And let's start getting those things done. Okay. And so you're probably going to spend a good, you know, year to six months just doing that, just working on making your business

better and thinking about the things in the day to day that you guys aren't doing so well that you need to do better. Okay? And then once you get this thing built into a machine, wearing this owner hat becomes really, really easy. Once it's a machine, you really just need to meet with your GM, you know, once a week. Even then, that isn't even really necessary. And you can just go over, you know, your KPIs. How many hours are we selling daily? How many hours are we selling weekly? Go over your profit and loss statement monthly and track your bank balances, track your five star reviews, and just make sure everything is good. Right? And that's really where I would love for all of you guys to get to where you have a \$5,000,000 a year plumbing business that's bringing in a million plus in profits, and you can work an hour a week, and then you can go live the life that you want, okay? So that's kind of the path to growing and scaling, And it's really not that complicated. Like hiring a CSR is just a matter of doing some marketing and getting enough call volume. And then if you think about it, hiring more technicians is really just a matter of doing more marketing so that you get more work so that you can hire more technicians. And as long as you're doing good work and you're following the systems in this class and you're providing value to your customers, the more marketing you do, the more work you're going to get. And you're going to retain those customers and you're gonna be able to add on technicians on a regular basis, okay? And every time you add on a technician, you need to think about, okay, do I need more equipment? Do I need more tools? Do I need more vans, right? And then kind of plan ahead. Okay, I think I can add on two technicians this year. I'm going to buy two more vans. That way I can add on two more technicians. And you'll find that you'll be able to grow this thing as long as you're priced right. And as long as you're willing to invest in marketing. And as long as you're providing value to the customer, you'll be able to grow this business relatively quickly. Okay, what holds most people back is they don't price appropriately, so they hold back on their prices. They get scared to charge what they really need to charge to operate a really good plumbing business. Or they get scared to invest in the marketing, and so they hold back on how much they're willing to spend on marketing. Okay? And usually they hold back on marketing because they're scared to charge the amount that they needed to charge to market enough to be able to get enough work. Okay? The other thing I see people do is they don't manage their people right. So they don't give them expectations. They don't let them know what how they need to take care of the customer. And then ultimately they don't end up taking care of their customers. So they're not providing enough value to their customers when they go out to the field to be able to charge what they need to charge. Okay, so those are the three areas that you really need to pay attention to. Okay, am I priced right? Can I cover all of my expenses? Can I afford to do my marketing? Can I afford to pay my guys well and still make a profit? And then am I bringing enough value to the customer To where they're willing to pay me what I need to charge so that I can continue to do more marketing. Okay. Because marketing costs money, but it's the thing that brings in the customers to your business. As long as you have those three pieces in place, you will be just fine when you're growing and scaling.