



The customer is always your No. 1 priority

Running a service business is challenging. If only the customer understood just how much work and how many people are involved in a single service call. As a plumbing/HVAC company, we incur many costs just getting our technician and truck out there, ready and able to

complete a job.

To best illustrate our point of what it takes to run a service business, let's use the analogy of a doctor. Without years of training, it should not be possible for a doctor to make a diagnosis and prescribe a remedy. Consider for a moment that it isn't just his initial

training, but an ongoing variety of continuing study and the expense of maintaining an adequately equipped staff and office. As a patient, you pay for his knowledge and skills as well as a share of his business costs (overhead). Even if he spends only a few minutes, his fee may range from \$50 to \$150, de-

pending upon his degree of expertise.

A qualified service organization's costs begin with the salary of the professional. The amount is the same whether the professional is actually making repairs, traveling to keep service appointments or participating in training programs to sharpen his skills.

The cost of doing business must also be added to the professional's salary. These overhead costs can amount to substantially more than the professional's salary. Now comes profit. If your service charge is \$200 and you are efficient enough to earn 15% of the \$200, then you earn 30 taxable dollars. Now, this is not excessive for providing top quality services on the customer's premises. But, you can't tell the customer this.

The customer doesn't need or want to know what it takes to run your business. The only thing they need to know is that you will provide them with the service they desire at what

Your customers will know it and reward you with repeat business and referrals.

they believe to be an affordable cost in a timely manner. In order to retain that customer and possibly even get referrals, you must do much more. The customer must be your No. 1 priority when running your business, and you must demonstrate this to them.

There are several ways to obtain this objective:

- Add value to the relationship. Give your customers more than they expect. As an example, we utilize e-mail marketing to provide our customers with timely tips on a variety of subjects. If we've experienced a period of heavy rains, we send out an e-mail with tips on what to do if the basement floods. We give our customers tools such as an "Ask an Expert" section on our website where they can post a question and receive an answer the same day. We also provide expert information on our website, such as directions on how to unclog a drain and avoid a service call. By sharing our knowledge, we add value to the relationship and build trust.

- Customer service is about serving the customer well. There's nothing

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Home Star — scary words for a contractor

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some other requirements.

A BPI Accredited organization shall:

- Participate in the BPI Quality Assurance Program.
- Employ BPI Certified professionals.
- Provide certain records or financial data that can substantiate BPI Standards-related work volume to BPI upon request.
- Accredit each business location.
- Employ a minimum of one full-time building analyst and one full-time specialty designation according to the work performed as required. The same individual can hold both these designations.
- Must have an e-mail address and Internet connection.
- Must agree to use the courts in New York.

The part about a “certified workforce” requires that all employees be BPI certified in any covered specialization they perform.

Additionally, a BPI Building Analyst is required at each company location. For example, if you have branches in two cities that provide HVAC services, you are required to have a your workforce

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certified in HVAC and one BPI Building Analyst at each branch.

There are the two options for BPI Certification: with classes or without classes. Although BPI does not require classes, it does recommend them. Classes are available through BPI Affiliates at \$1,595-\$2,150 and up (not including employee wages, travel expenses, lost time, etc.).

The “without class” direct examination option requires a written examination and a field examination, both provided by BPI accredited proctors. Price: \$500 plus.

To qualify for Gold Star, a typical three-truck, three-technician contractor running an HVAC business out of the same location would pay:

Accreditation fees: first year \$1,500, second year \$2,500-\$5,000 (assuming a gross income of \$750,000-\$2 million).

Certification fees: initial for three technicians plus the mandatory Building Analyst certification.

Exam only: \$2,150 (\$550 x 3 + \$500

x 1 [Building Analyst]).

Class option: \$6,780 (\$1,695 x 4).

Renewal (CEU credits + exams):

Please note this does not include cost of obtaining BPI-approved CEU credits. Thirty CEUs each: \$1,050 (\$350 x 3); 10-29 CEUs each: \$1,500 (\$500 x 3); less than 10 CEUs: \$1,650 (\$550 x 3).

During the expected two-year life of Gold Star, the example contractor must pay BPI (and its affiliates) between \$7,200 to \$14,930 in order to be eligible.

The bottom line is, after paying to become a BPI Accredited Contractor with a BPI Certified Workforce a contractor has the privilege of adding an

additional 30 days (some say “30-days plus”) to your cash flow timeline.

Can anyone see problems with Home Star as written?

TOM MEYER

DIRECTOR OF GOVERNMENT & PROFESSIONAL RELATIONS, ESCO GROUP

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The Green Mechanical Awards (GMAs) are open to both residential and commercial projects in the USA. Visit www.greenmechanicalcontractor.com for entry forms and more details.

The Green Mechanical Awards have quickly become the industry's top honor for excellence in mechanical systems design and installation. The winners along with many of the submitting projects will be featured in upcoming issues of **CONTRACTOR** and the exciting new publication **Green Mechanical Contractor**. The online link to the current digital edition and Web site is www.greenmechanicalcontractor.com

Entries for the 2010 Green Mechanical Awards are now open — so keep designing & building those outstanding projects and get ready to submit them for the 2010 Green Mechanical Awards. **Get recognized for your hard work!**

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more frustrating to a customer than the inability to speak to a representative at a service company. More service companies have lost sales due to callers getting stuck in an automated voice-mail loop. A service company should have at least one customer service rep answering incoming calls. That being said, the customer service rep should answer the phone with a smile. Customers can hear that smile in a rep's voice and will respond to it.

- Empathize with your customer. We can't stress this point enough. When a customer calls us, we gauge how he is feeling as soon as we pick up the phone by asking the question, "How can we help you today?" This helps to diffuse that customer who is in a panic over sewer back-up in his house. It enables him to get straight to the point so we can react with an appropriate and immediate response to his emergency situation.

- Put your customers at ease. We do all that we can to ensure that our customers are comfortable with us. We even send an e-mail alert to each customer prior to his/her appointment that includes an introduction and a photo of the service technician. Then our technicians show up at the customer's home in uniform with an identifying badge and booties on their shoes to protect the customer's home.

- Go the distance to ensure customer satisfaction. After a service call, we make a follow-up telephone call to our customer to ensure 100% satisfac-

tion. If for some reason they are not satisfied, we work to make it right immediately. Simply taking this extra step to find out if your customer is satisfied goes a long way towards retaining that customer. And they are less likely to express their dissatisfaction to others in person or online on sites such as Yelp,

Ripoff Report and others.

It's not enough to deliver service as promised, on time and within budget. It's imperative that you keep your customers your No. 1 priority when running your business. Do so, and your customers will know it and reward you with repeat business and referrals. **G**

Tim Flynn is president of Winters Company Plumbing, Heating & Cooling, Cambridge, Mass. His company specializes in plumbing and HVAC as well as kitchen and bath remodeling. Contact Tim Flynn at 617/484-2121, or visit: www.wintershomeservices.com.

CNA offers CAM program

CHICAGO — CNA has announced a new Commercial Affiliation Marketing (CAM) program for renewable energy contractors. CNA is also offering insurance services to meet the specific needs of this construction segment.

CNA's Renewable Energy Contractors insurance program is designed for non-residential wind, solar and geothermal energy construction projects, including contractors who erect or service land-based metal wind turbines; solar installation or service work; and geothermal drilling operations.

"We are confident this new program will enhance our reputation as one of the pre-eminent construction markets in the industry," said John Tatum, vice president of Construction, CNA.

Additional information is available at: www.cna.com. **G**

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