

HIGH PERFORMANCE HVAC TODAY™

If You Don't Measure, You're Just Guessing!™

The ABC's of High Performance:

**IS IT THE
RIGHT FIT**
for Your Company?



ALSO IN THIS ISSUE:

Summit 2018 Panel Discussion on Implementing
a Performance Culture (Part 2)

Are Your Technicians Using the Right Tool for the Right Job?

Why High-Performance Contractors Need A Sales Process

**GOODMAN
BUSINESS
TOOLBOX**

Are you looking
for more time,
money or freedom?

We have
the tools for that.

www.goodmanbusinesstoolbox.com

Go to the Goodman Business Toolbox today and request the workshops that you need from your local distributor.

Thank goodness
for Goodman®



Our continuing commitment to quality products may mean a change in specifications without notice. © 2018 Goodman Manufacturing Company, L.P.
Houston, Texas • USA www.goodmanmfg.com



AUGUST 2018

VOLUME 2 NUMBER 8

**HIGH PERFORMANCE
HVAC TODAY™**



MANAGEMENT:

**Summit 2018 Panel on
Implementation — Part 2**

Our panel continues their discussion on how they overcame hurdles to implementing performance into their companies.



22

TECHNICAL:

**The Right
Tool for the
Right Job**

Testing, Adjusting, and Balancing professionals need to invest in the right tools so they can produce the most accurate balancing reports for their customers.



18

COVER STORY:

**ABCs of High Performance
Contracting — Part 2**

Why make this possibly disruptive change in your business? Dominick Guarino explores several key reasons.



SALES:

Why You Need A Sales Process

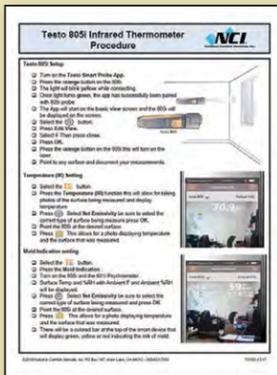
In Tom Piscitelli's inaugural article with *High-Performance HVAC Today*, he explains what sales processes mean to customers, employees, and you.

DEPARTMENTS

Online Content.....4
Today's Word7
 High Performance News.....8
 High Performance Products.....9
 Contractor Spotlight: **Holt Plumbing & Heating**..... 10

Photo of the Month 27
 Member Update 28
 Ad Index..... 29
One More Thing 30

FREE Monthly Download

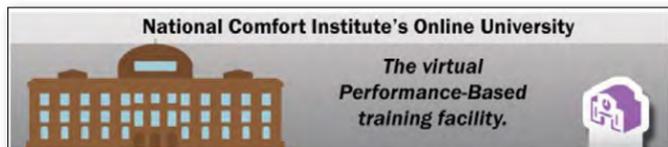


This month's download is a one-page checklist for those technicians who use the Testo 805i Infrared Thermometer during service and installation projects.

The sheet actually contains three checklists: one to do an overall setup for the 805i, one for setting up temperature (IR) readings, and one for setting up mold readings. This has been updated and is a great reference piece for your field service and installation technicians.

Go to ncilink.com/md0818, or use your phone with the QR Code below.

By registering for free on NCI's website, access this download and many more.



Online University

Featured this month is the National Comfort Institute's (NCI) **ABCs of Supervising Others** – part of the NCI Online University Business management Training Series.



This module is intended to help your leaders better understand their roles and deal with the challenges of being a leader. In this course you will learn how to adjust to being a supervisor, what skills you'll need to develop, and the importance of developing relationships with your co-workers. You'll also learn how to manage conflict and challenging situations.

Read more at ncilink.com/ou0818.



BLOG POSTS

PERFORMANCE-BASED MANAGEMENT: WHAT'S GOING ON AROUND HERE?

NCI Business Coach and Trainer David Holt shares 10 ways to feel more confident that your team is delivering top quality, performance-based products and services. He shares how you can know what your team is really doing when not under direct supervision and how you can make sure they meet expectations consistently?



Read his blog at ncilink.com/HoltOnMgmt.

FIVE CO ISSUES TO LOOK OUT FOR THIS SUMMER

Even in the summer you need to remain vigilant for carbon monoxide (CO) issues. In his blog, NCI Curriculum Developer David Richardson examines five summer CO issues you should be aware of and what to do when you encounter them.

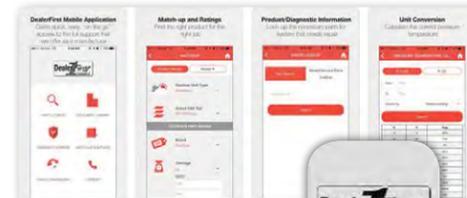


Read his blog post at ncilink.com/SummerCO

There's an APP for that...

This month we feature The DealerFirst mobile application.

For those contracting companies that work on and install Goodman/Amana products, this tool gives quick, easy, on-the-go access to all their manufacturer support, including:



- **Warranty Express:** Add, look-up, manage warranty claims
- **Match-up/ratings:** Find the right product for the right job
- **Product/diagnostic information:** Look-up the necessary parts for the system that needs repair
- **Documents and support:** Easy access to product brochures, warranty certificates, IO manuals, and spec documents
- **Unit Conversion:** Calculate correct pressure temperature.

This is a **FREE** app available in both the Apple ([ncilink.com/Apple Dealer1](http://ncilink.com/AppleDealer1)) and Google App (ncilink.com/GoogDealer1) stores.

“Our average service ticket has increased from \$270 to \$580. We’re running the same amount of calls in 2018 that we did last year and we’ll earn \$912,000 more this year.”

Steve Moon
Owner
Moon Services



Schedule Your Demo Today!

Call 706-259-8892
Email us at info@menupricing.com
Visit us at www.TheNewFlatRate.com

**THE NEW
FLAT RATE**
MENU PRICING MADE EASY!

ACCURATE.
DEPENDABLE.
VERSATILE.

TSI provides the most accurate, dependable and versatile ventilation and indoor air quality measurement instruments on the market today.

- TSI offers a full line of:
- + Hydronic Manometers
 - + Micromanometers
 - + Velocity Meters
 - + Capture Hoods
 - + Thermal Anemometers
 - + Indoor Air Quality Monitors

To learn more, visit www.tsi.com/comfort



TSI UNDERSTANDING, ACCELERATED

Free Shipping

FOR ORDERS OVER \$200

(excludes resale & oversized products)

NCI offers FREE shipping and handling on all tool, instrument and support material orders that total more than \$200.

If your order is under \$200, a standard \$15 shipping charge will apply. Oversized items may be subject to additional shipping costs.



And BIGGER Benefits for NCI Members!

NCI members can now apply NCI Bucks to pay for up to 50% of your tool and/or instrument order!

This benefit is ONLY for NCI members! Resale products excluded.

NCI has also increased the member discount from 2% to 5% on all the tools, instruments and support materials you buy. Resale products excluded.



If You Don't Measure,
You're Just Guessing!™



Start Shopping Today! Go to ncilink.com/store or call 1-800-633-7058

TODAY'S WORD

By Mike Weil

Tariff Wars: What Do They Mean to the Performance-Based Contractor?



Mike Weil is editor-in-chief of this magazine as well as director of communications and publications at National Comfort Institute, Inc.

Headlines in all the news media today are focused on the Trump Administration's latest international wrangle with the nation's biggest economic foes and allies -- raw material import tariffs. It doesn't matter which side of the political fence you are on, tariff wars will clearly have an effect on businesses that depend on the targeted materials.

In the HVAC Industry, the major products we sell, install, and service are made from two commodities targeted for tariffs — aluminum and steel. The fear is costs for these materials will rise (they already have), meaning manufacturers will raise their prices to distributors (it is starting to happen), and then to contractors. You may already be feeling the pinch.

Many economy pundits warn of the dangers such price increases will have on the overall economy and talk about things the government should be doing to alleviate those issues.

cost of the equipment itself. You focus on your customers' comfort, safety, health, and energy efficiency issues within their homes.

This not only includes maintaining equipment, but also involves truly understanding how that equipment works in conjunction with duct systems and other factors impacting airflow.

By testing and measuring, you not only see how the equipment is functioning and whether it is delivering the comfort and efficiency promised, you can also prove all of that to the consumer.

With commodity price increases based ultimately on international steel and aluminum tariffs, it becomes even more incumbent on you to help customers get the very most out of their comfort systems. By selling air upgrades and duct renovations you could provide consumers better returns on their investment (ROI), because those actions will improve the longevity of their system and its performance.

How? The amount of time necessary to achieve ROI will actually be shortened by making systems perform better and lowering your customers' utility bills. And as a result, you can actually earn more net profits while guaranteeing customer

comfort and better energy efficiency.

Tariffs are just another tax. They do make life for the average American a bit tougher in the short term. In the long term they MAY create a fairer international economic marketplace which would really help to reduce this nation's trade deficits. That certainly would be great for the American people.

Only time will tell on that score.

But if you are providing consumers performance-based premium services with shortened ROIs, these taxes could ultimately benefit your bottom line. Think about it.

IN THE PERFORMANCE-BASED CONTRACTING WORLD,
YOUR SERVICES CAN GIVE CUSTOMERS BETTER ROI
DESPITE TARIFFS CAUSING EQUIPMENT PRICES TO RISE.

History shows that the United States has been embroiled in trade wars in the past. The good news is that we survived. The question is — did those tariffs have the intended outcomes? In this case, President Trump is using the tariff as a tool to reduce our deficit by forcing trade partners to play fair. We can only hope that it works.

The fact is tariffs are just another tax. It doesn't matter if you are a contractor or a consumer, you will pay what the market will bear. So let's look at this from a slightly different angle.

In the Performance-Based Contracting™ world, you sell services that go well beyond the

From Around the Industry ... Promotions, Donations, and Distributions

BIG CHANGES AT RHEEM

Last month Rheem® announced two key changes to their leadership. **Chris Peel** was promoted to president and chief executive officer of Rheem Manufacturing Company with global responsibility for all business operations. In addition, **JR Jones** has been named executive chairman of the board of Rheem Manufacturing Company.



Chris Peel For the past 10 years, Peel served as Rheem's president and chief operating officer. Currently, he is also the chairman of industry trade association, Air Conditioning, Heating, and Refrigeration Institute (AHRI).

Before joining Rheem in 2008, Peel held varied leadership positions with Lennox International and United Technologies Corp. (Carrier Corporation) among others.

Jones will continue to provide guidance for Rheem's vision and strategy, in addition to his board responsibilities. Jones has served as president and chief executive officer of Rheem for a decade.



J.R. Jones

Prior to his tenure at the helm of Rheem, Jones served as the company's chief operating officer and as president of both the Air Conditioning and Water Heating Divisions. He also held varied leadership positions at Lennox International and The Trane Company.

TACO DONATES TO VETERANS GROUP

Taco Comfort Solutions recently donated more than \$32,000 to the **Folds of Honor Foundation** (foldsofhonor.org/about-us/) at the Eastern Energy Expo at Foxwoods Casino Resort in Mashantucket, CT.

Folds of Honor is a non-profit organization that provides scholarships to children and spouses of disabled veterans or those killed in action. To date, the charity has raised over \$100 million and provided nearly 16,000 scholarships.

In the summer of 2017, Taco released a contractor rebate program to support their two newest ECM, high-efficiency circulators, the 007e and the 0015e3. The rebate program presented a great way to incorporate the Folds of Honor charity to support military families.

Contractors who purchased a circulator could donate three dollars or the entire sum of their rebate to Folds of Honor. Taco promised an additional \$3.00 donation for every mail-in rebate received. In addition, **The White Family Foundation** (thewhitefamilyfoundation.com/) donated \$10,000 toward the cause.

The rebate program began July 4, 2017 and ran through Veterans Day, 2017. The check was presented by Ben White and John White III after a keynote address by Rooney at the Eastern Energy Expo.

For more information, visit www.TacoComfort.com or www.FoldsOfHonor.org.



John White III (left) and Ben White (right) present Major Dan Rooney with a check from Taco Comfort Solutions at the 2018 Eastern Energy Expo.

MULCAHY OPENS NEW OFFICE

Manufacturers Representative **Mulcahy Co., Inc.** (mulcahyco.com/about-us) recently opened new facility in Fargo, North Dakota. The new location offers customers increased access to in-stock, high need warranty parts, and full-time service and sales support.

Rob Grady, executive vice president at

Mulcahy says, "Our expansion into Fargo will help us provide the next level of hydronic system sales and service across the state and northwest Minnesota."

Mulcahy carries centrifugal pumps, boilers, filtration systems, heat exchangers, valves, instruments, variable-speed drives, accessory items, and much more from a variety of manufacturers.

FIELDPIECE WIRELESS DIGITAL MANIFOLD WITH MICRON GAUGE

The SMAN460 wireless four-port digital manifold is a top-of-the-line Fieldpiece product. Among its many features:

- Automatically calculates target superheat
- Provides simultaneous superheat and subcooling
- All nine of its measurements displayed on the large, easy-to-read screen
- Extra large 3/8" full bore and 4th VAC port
- Real-time system diagnosis and charging using wireless measurements.

When coupled with the JL2 Job Link™ Mobile System Transmitter and the SDP2 Dual In-duct Psychrometer, techs can see all their readings in the Job Link™ Mobile



System App. The app also provides pre- and post-work check lists, in-depth system diagnostics, report emailing, and cloud storage for all work completed.

It has a built in micron vacuum gauge which enables technicians to set high and low alarms and it shows the micron rate of change (using built-in stop watch).

For more information, go to ncilink.com/SMAN460 or call 800-633-7058.

ENERVENT MINICORE ENERGY RECOVERY VENTILATOR (ERV)

This ERV by Ruskin Manufacturing is a commercial unit with a minimum 50% total energy recovery effectiveness and a 16" chassis size. The MCV500 (operates at



350 CFM to 850 CFM) and MCV1000 (operates at 650 CFM to 1250 CFM) each have an energy recovery core built with a 100% polymer membrane and no moving parts.

It is AHRI Certified, easy to service in the field, and resists mold and bacteria (tested to ISO 846a and 846c with a rating of 0 for both).

The enERVent has optional communications enabling it for controls/BACnet integration. Also, a MAP gateway allows users to monitor performance on mobile devices or desktops.

For more information visit the Ruskin website at ncilink.com/MCV500.

Upcoming NCI Training & Event Schedule

Combustion Performance & Carbon Monoxide Safety Certification Program

- Sept 5-7: South Plainfield, NJ
- Sept 11-13: Richmond, VA
- Sept 18-20: Pittsburgh, PA
- Sept 25-27: Des Moines, IA
- Oct 9-11: Philadelphia, PA

Residential HVAC System Performance & Air Balancing Certification Program

- Sept 5-7: Baltimore, MD
- Sept 11-13: Salt Lake City, UT

Commercial HVAC System Performance Certification Program

- Oct 2-3: Medford, MA

Commercial Air Balancing Certification Program

- Sept 25-27: San Antonio, TX
- Oct 9-11: Landover, MD
- Oct 9-11: Los Alamitos, CA*

Duct System Optimization & Residential Air Balancing Certification Program

- Sept 18-20: Kansas City, KS
- Sept 18-20: Columbus, OH
- Sept 18-20: Los Alamitos, CA*
- Sept 25-27: Charlotte, NC
- Oct 9-11: Omaha, NE

National Balancing Council Commercial Balancing Certification Program

- Oct 15-19: Cleveland, OH

*Subsidized NCI training offered by Southern California Edison.

Holt Plumbing and Heating: Performance is A Customer Service

Seventy-one years ago, the United States was a very different country than it is today. The Second World War had just ended — the peace treaties were signed in February, 1947 — and the country was working, under Harry Truman, to get its footing back together.

The Great Depression was over and the economy was on the threshold of a tremendous growth spurt. But the average American still struggled to make ends meet.

In Afton, Iowa — a very small rural town in the southwestern part of the state, John Holt decided he needed to develop more income than his farm was providing for his family. He began helping his neighbors by fixing plumbing and furnace problems in their homes. It really was just a sideline.

Back then Afton's population was under 1,000 (and it still is), so helping neighbors was just the right thing to do. And Holt was always about doing the right thing.

In those days he had no intention to go beyond that — supplementing his income. As more people asked for his help, he wound up having to hire a helper here and there. Over the ensuing years, he needed to hire a full-time worker to handle the workload. Eventually his son, Lynn, got involved in the business.

Lynn saw the potential of this plumbing and heating sideline and decided to grow it. He began reaching out to bigger communities for more jobs.

BUILDING A SOLID REPUTATION

With a strong work ethic, a servant-leader mindset inherited from his father, and a mission, Lynn made Holt Plumbing and Heating into a full-time business. Today the company is located in West Des Moines and services Des Moines Metro as well as surrounding areas, including Winterset, Adel, and Creston.

Because his focus was always on the customer first, Lynn was a strong proponent of learning about better ways to make them happy. From customer service to new ways of repairing and replacing HVAC equipment and plumbing systems, he was on the lookout to improve and grow.

He wanted to be professional. And, he wanted to be profitable.

That led him to join membership organizations like Contractors Success Group (CSG), where he learned the basic tenets of managing a small business. CSG, eventually through a series of acquisitions and mergers, became part of National Comfort Institute in 2008.

Throughout these changes, Lynn maintained membership and trained his troops — both technically and in the art of having great people skills. He officially joined NCI back in 2008 and the company remains an active member to this day.

HOLT PLUMBING AND HEATING TODAY

Today Lynn and his wife Dixie remain active in the business, but son-in-law Josh Potter is the general manager who runs

the operations at their side. Potter explains that it was under Lynn's tutelage that he has been able to be successful.

"I joined Holt in 2013 as the company's general manager and Lynn provided me the training — both classroom and on-the-job — I needed to be successful," Potter says.

"It is through his vision and dedication to a customer-first approach to business that this company became and remains successful. My job is to keep that up and take it to the next level."

Today Holt Plumbing fields 23 service and installation vehicles split between HVAC and plumbing. The company employs 36 people including two who work in a relatively new "division" called the Home Service Division.

Potter says this business unit started out originally as a way to provide better customer service.

"As a plumbing organization, we often must cut holes in walls to gain access to an area," Potter explains. "We used to recommend local drywallers that do great work to repair those holes. But there was an issue: these drywall contractors were so booked up that they couldn't make it to our jobs in a timely manner.

"So, we hired our own drywaller. We started off with one and just recently hired another. This service turned into doing a lot of really basic home repairs. For example, we just finished hanging 30 framed photographs for a customer. The Home Services group does that as well as complete kitchen and bathroom remodeling."

Potter adds that the Home Services division creates great leads for the HVAC and plumbing business and vice versa.

TRAINING IS A MUST

Like his father-in-law, Josh Potter believes in continuous education and training. He says, "When a customer hires us, they ex-



Holt Plumbing and Heating, Inc. fields 23 service and installation vehicles. Team members are highly trained so they can bring Performance-Based Contracting to their community.

pect us to be professionals. They aren't interested in incompetency.

"The only way I can get new technicians up to speed is to pair them up with other technicians. I have new techs go through several months working with our experienced and trained technicians before they start doing their own jobs."

Potter adds that they also take advantage of their NCI membership by bringing in trainers like Jim Davis to teach his team the ins and outs of combustion and carbon monoxide safety.

"This is a must," he says. "Our people and our customers' safety and well being are at stake."

He further highlights the importance of people skills. "We not only fix customers' mechanical problems, we also must be able to fix customer issues — comfort, energy concerns, safety, whatever. It's also about communications. Our people MUST be able to communicate in a way that customers can easily understand and that answers their questions, their concerns. That is the only way I know how to not only fix systems, but people too."

PERFORMANCE-BASED CONTRACTING IS THE HOLT WAY

Potter says his experience in working with NCI and being trained to look at much more than just mechanical equipment really helped lead the company down the high-performance path.

"Thanks to NCI, we understand the im-

portance of measuring. We have made performing HeatMaxx™ and CoolMaxx™ a part of our membership maintenance program for our customers," Potter explains. "We do them on every maintenance call."

He cites this data collection as a key differentiator over his competition.

"We do a good job of collecting data and storing it, so we have it for future use for customers. The data provides us with a baseline. When we start to see things trending negatively, we can pull the history and show the customer that trend. Then we make recommendations on what needs to be done, and let them decide."

RESULTS FOR THE CUSTOMER

He also says they have the ability to explain the results of those tests in a way that the customers can really relate to.

"It's not just a tech talking techie to them. We have data to back it up. And we compare that data to the readings doctors use when they take blood pressure, temperature, and so on. It gives customers more confidence that we are not just guessing."

It's all about the performance of Holt's technicians in the field as well as the performance of their customers' comfort systems. As Potter says, fixing customers is just as important as fixing the technical things.

PERFORMANCE-BASED SALES

Potter uses the NCI HeatMaxx and CoolMaxx reports to collect and pres-



ent data to the customers.

"To me, it is about how we make a presentation in the home," he explains. "I do the Manual J load calculations with a pencil. Why? Because as I sit there calculating the load, they start to ask questions. That lets me start to build a conversation.

"For me, I want that personal touch. I want to help them understand what we are doing in the home, so they fully understand how much I care, how much effort I put into their estimate."

He adds that going over the manual calculation takes about 20-30 minutes with the customer — something that few if any of his competitors do. And that sets Holt Plumbing and Heating apart.

"The load is just part of the equation. We figure out what size of equipment they need. We look at their current ductwork and talk about ways to add additional returns, supplies, or how to modify it to help with their comfort.

"That process starts to unravel the idea that I am just trying to sell a box. I am here to look at everything that impacts comfort.

"I typically bring the customer with me down into the basement to help measure things. And we talk the entire time. Again, it all goes towards me building a custom package to really get their system to perform the way it was designed."

THE CUSTOMER EXPERIENCE

Josh Potter says he has always been a numbers guy. As such he knows that to do all the things necessary to provide high-performance services, he has to price his work properly. This is key to Holt's duration and success. He jokingly says, "We are definitely not known to be

the Cheap Charley in town for sure."

To successfully sell duct renovations and air upgrades, which typically carry more intensive labor hours, he feels the customer absolutely must understand what they are buying and why that is important. He says that when he goes through the measurement and data collection process — sometimes even having the customer help him do it — they are much more willing to



Holt technicians record their test measurements for diagnostic evaluation so they can make the best recommendations to customers.

spend more money.

"If what we do makes sense to them, if they see the true value of our services, not only are they willing to spend the money, they aren't interested in any cheap Charlies," he says.

"It is an education process for customers. People are a lot smarter than many contractors give them credit for. Once they understand, you almost have them as customers for life. Again, it's about providing a unique service, great experience, and a terrific result. That is what Holt Plumbing and Heating is all about."

THE TECHNICIAN EXPERIENCE

Beyond fixing customers, Josh Potter says that the Performance-Based approach really impacts his technicians as well.

"They find it more interactive than just showing up at a customer's door with a bucket of tools and a fix-it mentality. They love using their minds, running tests, interpreting the measurement data, and basing their recommendations on that," says Potter.

He also says that they seem to appreciate a work environment where everyone looks to improve. In fact, he says the techs often feed off each other when it comes to solving tough problems.

For the technicians who work for Holt Plumbing and Heating, the Performance-Based approach stokes their curiosity. Josh Potter says we all should take a lesson from that.

On the customer side, Potter sees that comfort sells. "If I can collect the data I need, make changes that need to be made, and deliver comfort like they've

never experienced before, they will pay for that."

CURIOSITY IS THE KEY

"I think HVAC contractor owners always must be curious in all aspects of their business. If there is something that you don't know or understand you need resources you can turn to.

"Participating in an organization like NCI is also important. That is how you build a network of your peers."

Congratulations to Holt Plumbing and Heating for being the August 2018 Contractor Spotlight. 

Take the First Step Towards High Performance

Duct System Optimization & Residential Air Balancing Certification Training

Learn how to deliver high quality, profitable duct system renovations that really work! Set yourself apart from competitors by knowing how to optimize a duct system so it delivers the heating and cooling the equipment was designed to provide.

Uncover air distribution upgrade opportunities to offer the highest quality, comfort, and performance your customers want and are willing to pay for.



BONUS!
Get NCI's Exclusive **NEW Duct System Optimization Clip Board** with the tables and formulas you will use every day!

Upcoming Training in your area:

- September 18-20: Kansas City, KS
- September 18-20: Columbus, OH
- September 18-20: Los Alamitos, CA
- September 25-27: Charlotte, NC



ncilink.com/DSO





HIGH PERFORMANCE CONTRACTING: Summit 2018 Panel Discussion on Implementation [PART 2]



NCI Chairman and CEO Dominick Guarino facilitated the panel discussion at High Performance HVAC Summit 2018.

Last month we brought you part one of a two-part series on how professional Performance-Based Contractors™ implemented high performance practices into their companies. Six contractors sat on a panel that was held during National Comfort Institute's (NCI) 2018 Summit in Austin, TX.

Facilitated by NCI CEO and Chairman Dominick Guarino, panelists interacted with the attendee audience to create a dynamic program of sharing on not only how to overcome the hurdles to implementing performance, but their success stories as well.

The comments and discussion have been divided into eight sections (not necessarily in the order they were delivered) to organize this in a more useful way for our readers. In Part 1 we covered:

- Getting Started in Performance
- Moving Forward
- Processes
- Technology Concerns

In this second part, we cover the following:

- Training
- Recruitment
- Keeping Score
- Promotion and Marketing (view this section only on the website at ncilink.com/PandM).

So, without further ado, here is the discussion on how these contractors overcame hurdles and achieved success in implementing Performance-Based Contracting™ into their companies.

TRAINING

You really can't create a performance-based environment without understanding what that means. That requires a plan, commitment, and equally important, it requires training.

Q: Rodney Koop from The New Flat Rate, Dalton, GA asks, "How often do you, as an owner or manager, get in the truck and ride with your techs to go through the process and reinforce it, to make it easier and friendlier for them?"

A: Jose Montes: I have been toying with the idea of doing just that, Rodney. With one difference. It would be more for me to better learn how the guys actually operate in the field.

Right now we have no ride-alongs. But we do follow up and visit homes after service and installation calls. On installations, we'll do an inspection, talk to the customer, and see how the job was done. We come back with that feedback and talk to the troops about what we found out.

There is no customer who doesn't love it when the owner or manager comes out to their home to inspect the job. It's just a win-win situation. Today, our service manager goes out after every installation is completed.

Paul Wieboldt: Every contractor has two companies: the one we really have, and the one we THINK we have. Training helps us move toward that 'imaginary' one.

Our training originally was on-the-job focused. In fact, as we began walking down the performance path, we branched out into two businesses. One was the service/installation business. The other was a department that does our third-party testing in-house.

So there was an expectation that on every job someone would be there to oversee, follow-up, and make adjustments. The intent was to be sure we fulfilled our promises to the customer. I found the more I showed up in the field, the more my 'imaginary' company became the company I always dreamed of.

In addition to training, whether on the job or through classes, we also try to have inspirational staff meetings every Monday morning. This isn't cheerleading -- it's to find out how everyone is doing. We talk about what are we missing and what could make things better. I find out if any of the techs need me to go into the field with them to see what they're dealing with.

Q: Dominick: When it comes to dealing with customer reactions to the different offerings you have based on measured performance, how do you prepare your field teams?

A: Kevin Walsh: We often find that our customers wonder what we're doing and why we need to do it. After we explain the process and why it's important, they start to get it.

Armed with third-party information, we can show customers exactly what and why we do what we do. They are a bit surprised. Then they start wondering why other companies don't operate in the same way.

We train our team to explain that we believe in doing things the proper way. Our technicians explain that we follow a lot of industry standards and these are the things that are supposed to be done. If other companies aren't doing it, shame on them for skipping steps necessary for making sure the customer's system is operating in a safe, healthy, and efficient manner.

Paul Wieboldt: We try to educate our customers. I use my website to tell a story about what is going on in the HVAC community with messages to the consumer. I talk about the proper way to do things and what contractors shouldn't do.

I find many people comment that they know just what I'm talking about -- they see contractors using rules of thumb. They say that many contractors don't connect to the fact that as consumers they want energy efficient homes.

Telling a story on our website has been a real advantage. We set up how we do business as an alternative to the mainstream and I find people really like that. It leads to people knocking on our door looking for solutions.

Q: Rick Young, Absolute Comfort, Houston: How exactly are you training your service techs to answer those questions from customers?

A: Tom Johnson: We do a lot of practicing in-house when we have our weekly staff meetings. We talk a lot about the new training and new technology offered by NCI and other groups. We try to proactively tell customers as we come into the job about what we will be doing and why we may find something that others don't even look for.

It's built into the technician's rapport with the customer. Techs have to be comfortable with that in my training room before they can go out on a call. If they aren't comfortable with it, they wind up telling the customer all kinds of bizarre stuff which is unacceptable.

My guys hate role-playing. But they love talking to each other. So we just set up the conversations. It IS role-playing, but we don't call it that. Having those conversations in a safe environment in the office and in training meetings, really helps techs answer those questions by customers. It becomes an automatic response that is very honest and open.

Wieboldt: A very important part of our training is teaching technicians never to bad-mouth the company that originally installed the equipment. Because it was probably us. In our efforts to be honest, we explain that we 'messed up.' We didn't have the knowledge or tools we have today that allows us to see into an HVAC system. It's like the time before medical MRIs when all doctors had were X-Ray machines. The difference between what they could see then and now is night and day. The same is true for HVAC measuring technology.

That means things we did wrong in the past, we have to fix. It also means we have the opportunity to implement improvements. We need to not place blame. We need to tread lightly.

Nancy McKeraghan: Technicians need to understand why they are doing performance measuring and testing. Then they can legitimately say to customers, 'I've had training just recently and now have new knowledge and new tools

Meet the Panelists:



Jim Ball,
Ball Heating & AC



Tom Johnson,
T.M. Johnson Co.



Nancy McKeraghan,
CANCO ClimateCare



Jose Montes,
Kennihan Plumbing,
Heating, & AC



Kevin Walsh,
Schaafsma Heating
and Cooling



Paul Wieboldt,
Tradesman Heating &
Air Conditioning

to better assess what your situation is. Perhaps the other companies haven't had this training.'

RECRUITMENT

One of the biggest issues facing the HVAC Industry today is the shortage of capable service and installation technicians. This can definitely be a problem in the Performance-Based Contracting arena because of the necessary technical requirements for measuring and diagnosing system defects.

Q: Mike Greany, All Pro Heating and Air, Ontario, CA: We currently try to attract experienced technicians into our company through our distributor, R.E. Michel, and NCI's TIPP program, but are not getting that many qualified applicants. What do you do to recruit from outside the world of Performance for qualified technicians?

A: McKeraghan: We sit on the board of a college and have access to their students. We are also involved in **Skills Ontario** – a competition held for high school students and another for post-secondary students.

Students go through an interview and then take a theoretical and practical exam. Because we are on that committee, we get to see who we might want to hire. We prefer to hire young people.

We hire for attitude because we can teach them everything else they need to be successful. If you don't have the proper attitude, I want nothing to do with you, even if you are a wonderful mechanic.

We also have co-op students at both the high school and college level. We have our pick of those young people who participate.

Making commitments to those kinds of institutions is very beneficial. The employees we've hired through those programs have turned out to be very wonderful.

Jim Ball: We do the same thing through our local college. We hire from the college and start them in our maintenance department. We then train them for two or three years before they can run a service call.

Q: Dominick: Do any of you hire from outside the industry who have mechanical aptitude from a different career?

A: Wieboldt: We've hired several veterans – especially Airforce pilots. We find their pilot training, engineering background, and motivation to be wonderful. It feels good to provide them jobs after they served the U.S. We have been successful in this and so have they.

I am surprised more of us aren't doing this. There is a growing pool of veterans being reintroduced into the workforce and they are looking for something to do.

Montes: We had to let go of the idea of hiring only people with experience. Why? Because we couldn't find many who fit into our culture. When we moved past that we hired a technician who's background was aviation mechanic. We've also brought in a coal miner as well as some young men with just a tech school education and no experience at all.

We've always been big on training. For us, it was just a matter of getting them incorporated into our culture and letting them spend time with our veteran technicians. We knew their coming up to speed wouldn't happen overnight. It was an investment in our future and right now we are very comfortable that we have the right team.

KEEPING SCORE

Implementing Performance into a business culture also requires measurement and diagnostics. In this section, the panel addresses how they kept score and held their team accountable.

Q: Dominick: I think everyone here knows that NCI's motto is, 'If You Don't Measure, You're Just Guessing.' Of course, we're talking about the technical measurement. But we're also talking about more than that. How do you keep score? Do you have goal boards or other methods for keeping your team informed about their progress?

A: Ball: We put up goal boards. We started with a coaching program that used goal boards to show how we were doing. We experimented with how they looked, then looked at sales. We originally started with dollar amounts, but that became overwhelming. So we went to using units. That worked better. We meet weekly on Wednesday mornings.

For more than a year, I get a report at the end of the day and I text the entire team with information based on the daily numbers. Then on Wednesday morning, we discuss what the numbers should be and how to get there.

Walsh: We use different boards. For example, we track what was sold each day, including how many man-hours they sold. This lets our installation department know what to expect. That really comes into play during the early spring when things are a bit sketchy. The service manager tracks things like lead generation, average ticket dollar amount, callback, full revenue, and so on.

So we use boards for tracking and planning throughout the company.

Q: Everett Williamson, Brema, Inc., Mechanicsville, VA: As far as your service technicians go, how do you evaluate them? I know in his class Kevin Walsh says he has steps or levels he uses for such evaluations. How do you know the tech has gotten to the next level? I know you can send them to classes, but are they actually using the NCI performance methods?

A: Tom Johnson: We used to do the old-school 1-10 scorecard system where one of my managers or I would sit down with them and discuss their grade.

This past year, we changed that a bit. We do the interview first and have them tell us where they want to go. We didn't always understand their goals. Once that understanding is on the table, together we chart the path to get them there.

This was a very enlightening process. The result is that together we create very specific goals written down to help them achieve what they want

Summit 2019: Save the Date

If you found this article useful, imagine how much you could learn if you attended Summit live! Well you can. Summit 2019 is scheduled for April 16-17 in Orlando, FL. Be sure to save the date. We will be bringing you announcements of the sessions and special events later this summer.



In fact, in 2019 Summit will have additional meetings on either end of the actual event. Additional training will be provided by Goodman before the Summit and by EGIA after the Summit. This entire program is Summit Week and will run from April 15 – 18. More details to follow soon.

Don't forget to mark your calendars for Summit 2019. We look forward to seeing you there.

to achieve. The key was not to assume what they want to do.

Truly having a heart-to-heart discussion on where they saw themselves now and into the future is the key. It tells them and us what's important, and what needs to change.

For some, it has nothing to do with money. It's about time off, or what certifications they want to pursue, or the jobs they want to work on. The raises are secondary.

For others, it IS all about the money. The only way to understand where they are is to sit down with them and discuss it candidly.

This was a huge turning point for our company.

Walsh: We have tech levels and each one has its own set criteria that our technicians must achieve to advance. There are very specific guidelines they have to meet. This includes certain NATE certifications, NCI certifications, specific skills for specific equipment, and so on. As they accomplish these criteria, they can move from one level to the next.

Within each level, there are metrics to show how they are doing with regard to company policy. Are they doing check-ins? Are they generating good reviews? Are they meeting revenue goals? How are they doing on their billing efficiency? Are they billing out their time appropriately?

We look at all these things and oth-

ers like how well they take care of their truck, how they show up to work each day, and so on. These are within each tech level. This helps determine their pay at that level.

CONCLUSION

All the panelists agreed on one final thought – and that is the importance of association membership. They describe this as a peer-to-peer network where you can learn from others who have traveled the road before you.

Jim Ball said, "I know it can be difficult to participate in an association at first. But the truth is, what you get out of your membership is equal to what you put in.

"As Stephen Covey says," Jim continues, "You must continuously sharpen your saw. When you go back to work after an association conference ends, your saw will get dull. You'll keep trying to cut through the grind of the daily existence. So you have to keep coming back to those programs and meetings to sharpen the blade again.

"If you don't, you simply won't grow. Here at this Summit meeting, there is no one who can say they've attended every event and haven't grown as a leader, as a company, and as a professional who can work with both their employees and their customers."

So take a chance. Participation is important. It is fundamental to your growth and success.



The ABCs of High-Performance HVAC Contracting: PART 2

Is It the Right Fit for Your Company?

If you read [Part One of this series \(ncilink.com/ICYMI0718a\)](#) in the July issue, maybe this concept of High-Performance Contracting sounds interesting. “But what’s in it for me?” should be the next question on your mind. Maybe you already run a pretty good business. You’re making a living and your customers seem fairly happy – at least you’re not getting too many complaints. So why change? Why should you make such a radical and possibly disruptive change in your business?

There are many reasons to become Performance-Based, one being that most businesses strive to differentiate themselves from their competition. Let’s look at some of the reasons to make the leap:

ARE YOU HAPPY WITH YOUR NET PROFITS?

For decades, the average net profit for HVAC contractors hovered around 2-3%. Most business consultants and coaches say that to finance your business into the next year you need to re-invest 5% of your revenues into things like vehicles, tools, computers, etc. If your net profit is 2%, where will that additional 3% come from? Will you borrow it, putting your company deeper into debt, hoping that eventually you’ll get caught up?

To maintain a successful HVAC business your minimum net profit goal should be 10% EBITDA (Earnings Before Taxes, Depreciation, and Amortization). This number should be after you’ve paid yourself and your partners a fair salary. If you rely on net profit to supplement your income, then it’s not real net profit, and you will not be able to build up the financial cushion and assets to help you weather the inevitable ups and downs of business.

Have you read Part 1 yet? If not go to: ncilink.com/ABCs-1

The good news is whether your net profit is 2% or 9%, the work created through selling high-performance HVAC can bring your company-wide net profits well into the mid double-digit range. How? By adding high margin work with virtually no competition for both installation sales and service/maintenance.

MINIMUM EFFICIENCY STANDARDS WILL FURTHER COMMODITIZE OUR INDUSTRY

The ever-increasing minimum equipment efficiency standards are fast reducing our ability to “sell up” using traditional ROI (Return on Investment) arguments, which the industry has hung its hat on over the past two decades. When

you compare the cost difference between a 14-SEER unit and a 20-SEER unit to the annual energy savings, you’ll find very meager results with payback periods of 15 years or more. This won’t exactly excite customers about the money they supposedly save by buying the more efficient unit.

The kicker is unless the air distribution system is renovated, and the coil is replaced along with the condensing unit, the new 18-SEER unit may only perform at 12 SEER or less! In some cases, your customer will see increased utility bills, unless you properly address the whole system. More on this later.

DIFFERENTIATION

Most industry consultants stress the importance of differentiation. They say if you’re not different enough, the customer resorts to comparing price. I completely agree. But that is usually where our agreement ends. Why? Many coaches and consultants will tell you the way to differentiate is to sell up to higher efficiency boxes and offer all kinds of accessories to in-

crease the average ticket price.

While there’s nothing wrong with providing accessories and selling up, these things should be part of an actual solution, not just a bunch of add-ons to bring the ticket price up. The same holds true with “warm fuzzies,” like wearing booties and laying drop cloths. These things are now expected, they don’t make you much different than your competitor down the street.

So, what can you do to truly differentiate yourself? Let’s start with the selling process.

PERFORMANCE-BASED SELLING

This type of sales call barely resembles the traditional sales process. It begins with asking comfort questions when setting up the appointment. It involves using diagnostic tools like airflow hoods, manometers to measure static pressures, and digital hygrometers to measure enthalpies. Most importantly, it involves educating your customer about their home comfort system. You can help them become more knowledgeable than your competition – without making

their eyes glaze over with a bunch of technical terms.

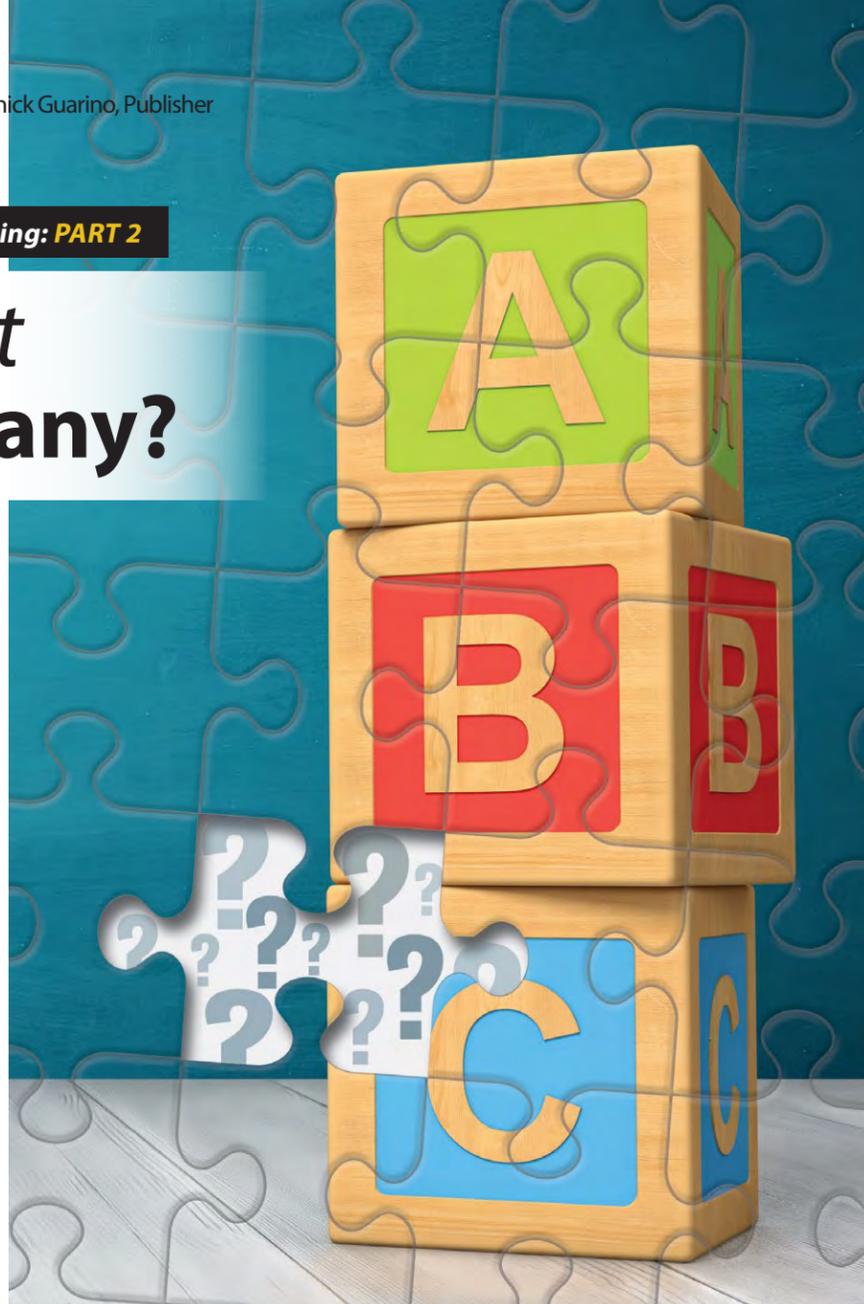
A Performance-Based salesperson rarely resorts to the traditional “closing” techniques that are widely used in our industry. Instead, he educates customers through the buying process, making his company and solutions the best choice. People want to make their own decisions based on their knowledge. The Performance-Based selling process provides them that knowledge, backed up with documentation.

High-Performance contractors can dismiss most of the competition with this approach. Not only are you very different from your competitors, you have the measured, documented results to back it up. If a customer says, “well no one else said there was a problem with my ducts,” you can show them your reports documenting how their system is working – or not. Then you ask them if anyone else provided them with a similar report. Usually this puts any doubts about you to rest, and it raises serious concerns about the competence of the other guy.

RE-ENERGIZE YOUR EMPLOYEES

Another benefit of becoming Performance-Based is employee growth opportunities – particularly for field personnel. Most technicians worth their salt strive to stay on top of their game and want to learn the most current diagnostic and repair techniques. Many companies find themselves in a rut. Often there is little spark left. It’s the same-old, same-old, every day.

Performance-Based Contracting can breathe new life into a company. I’ve seen owners, sales people, technicians, and installers come to life with



MANAGEMENT

Photo courtesy of Dillippos Service Company



the new culture built into a Performance-Based business. It's not unusual to see 20-30- year industry veterans get excited about their industry again.

WILL YOU LEAD OR FOLLOW?

In recent years, we've seen both federal and local governments cracking down on poor installations. Some states passed legislation allowing building inspectors to demand air balance reports on residential installations.

We all know how for years the Department of Energy (DOE) stressed equipment efficiency. But now with higher minimum equipment efficiency standards in place, they're shifting their focus to the duct system. They finally figured out that most performance and energy is lost through poor distribution systems.

Until recently, most government agencies, along with utilities and "Energy Crusaders," focused on tight

ducts alone to make systems more efficient. It's taken some years for them to accept what some of us have said all along: **Tight ducts alone don't provide efficient system performance.** Unfortunately, many still don't get it.

In fact, because there are so many undersized duct systems out there, just sealing ducts can choke down the system. This can compromise performance, comfort, and efficiency. Duct sealing alone might cause safety issues by creating pressure imbalances that can cause flues to spill and produce deadly carbon monoxide.

Tight ducts are only a slice of the system performance pie. It's impossible to assure consumers' energy efficiency based on sealed ducts alone. Again, there's nothing wrong with



sealing ductwork. It's part of any good duct renovation. But before we seal, we must make sure the ducts are big enough to handle the needed airflows.

A GRASS ROOTS MOVEMENT

Parallel to government intervention is the growing movement among quality contractors to take their companies to the next level with delivered performance. I think this is very powerful. The National Comfort Institute alone has trained and certified nearly 30,000 professionals in more than 7,000 companies in air diagnostics, system performance testing, and air balancing. Many have embraced this approach as their new way of doing business.

The handwriting is on the wall – look around you when you attend meetings and association conferences. The movement is towards measured, documented performance. It just makes sense. It's what this industry should have been doing all along, but it lost its focus with all the attention on equipment alone.

While it's important to sell high quality equipment, your focus with your customer needs to be on how that equipment will perform in their home. Remember, customers don't "want" furnaces and air conditioners, they want the comfort these appliances provide. And they want it as safe, efficient, and reliable as possible. Measured performance allows you to deliver on that promise.

There are many other benefits to transforming your company into a Performance-Based business. Your thorough and unique approach will generate referral business. You'll also likely get their service business with long-term maintenance agreements. After all, who else can they trust their finely tuned high-performance system to?

In the next article in this series we will examine the 10 steps successful contractors have taken to implement High Performance in their contracting businesses. **NCI**



Dominick Guarino is publisher of HVAC Today magazine and CEO of National Comfort Institute, Inc. He can be reached at domg@ncihvac.com

CRACKING THE CODE

THE INDUSTRY'S MUST-WATCH FREE EDUCATIONAL SHOW

Hosted by Weldon Long
New York Times Best Selling Author & Contracting Business Expert.

Cracking the Code is a free weekly online show that focuses on helping contractors overcome the challenges associated with running a successful home services business in today's marketplace and stay on the cutting edge of emerging trends and best practices in the industry.

WATCH THE FREE WEEKLY SHOW NOW AT EGIA.ORG/ALLIANCE-SHOW

CRACKING THE CODE IS BROUGHT TO YOU BY **EGIA**

WE UNDERSTAND YOU DON'T HAVE TIME TO SIT ON HOLD WITH TECH SUPPORT.

Connect virtually with a technical engineer within 15 seconds for support on ALL products we sell.

Download on the **App Store**

GET IT ON **Google Play**

NCI
National Comfort Institute, Inc.
PREFERRED PARTNER

JACKSON SYSTEMS

VIRTUAL TECHNICIAN APP

888.652.9663 • www.jacksonsystems.com

Use the Right Tool *for the Job*

When vetting applications or teaching classes, I'm often asked: Why do we need so many instruments to read airflow? My immediate response is "How many tools do you carry to loosen or tighten a 5/8th inch nut? How many of you carry a Six-In-One multi-driver? A set of nut drivers? Standard wrenches?"

Almost always the answer is all the above. They have these tools and more. They also have other odd contraptions they plucked off Amazon or found in a supply house. The bottom line is that everyone has at least four to six tools to loosen a 5/8-in. nut, and will provide a passionate, detailed response why they need every single one of them.

If technicians are so adamant about loosening a 5/8-in. nut, and possessing various tools to accomplish this task, then why are TAB (Testing, Adjusting, and Balancing) professionals often so resistant to buying and using multiple test instruments to read something as critical as airflow?

Each instrument has its specific application, even though it technically performs the same function. Remember that adage, "If your only tool is a hammer, every problem looks like a nail."

One professional certified by the **National Balancing Council** (NBC) trains his technicians **NOT** to call for technical support "until they've used every instrument in their truck!" He

says, "I didn't buy you \$15,000 worth of instruments then pay to have them calibrated so you can run up my phone bill too!"

WHAT ARE THE RIGHT AIRFLOW TOOLS?

So, what are the tools a TAB professional should have for measuring airflow and why should they have several that perform similar functions? The answer is every tool does one or two things differently and/or better than others. You need them in your toolbox so you can decide on the one that works best for your situation. Everyone recognizes the balancing hood. I've been on job sites to balance pumps and chillers where the general contractor calls the office stating I'm not there because he didn't see a balancing hood anywhere. Owning a reliable, calibrated balancing hood is only step one. There are other required instruments that every TAB professional should own.

HOT WIRE VS. ROTATING VANE ANEMOMETERS

For example, a **thermal anemometer (hot wire)** is hypersensitive to low airflow, and perfect for low velocity, non-combustible airflow applications. A **Rotating Vane Anemometer (RVA)** is a poor choice for low velocity, as it takes a higher air velocity to turn the blades and produce accurate readings. This makes the RVA a better instrument to read outside air intakes on a rooftop package unit (RTU) where the sensitive thermal anemometer is highly impacted by wind.

Another great application for a thermal anemometer is a duct traverse. This instrument also reads well in more turbulent, less laminar airflow. Depending on the make and model of the thermal anemometer, technicians can simultaneously read and record wet bulb and dry bulb temperatures while performing the duct traverse.

The thermal anemometer is temperature sensitive and may not be appropriate in some applica-

tions. This is one reason to own both a pitot tube and straight-pitot tube/airfoil. The **straight pitot tube/airfoil** is also a better instrument for lower velocities and more turbulent airflow.

VELOCITY GRID/MATRIX OR VELGRID

The **velocity grid/matrix**, as Dwyer and Alnor refer to it, or **VelGrid** as Shortridge refers to it, are meant to cover a larger area of airflow/velocity readings. It is very suitable for reading outside air on RTUs, and is preferred by manufacturers (such as **Captive Aire** and **Greenheck**) for reading airflow at grease filters.

In fact, NCI, NBC, and most TAB procedural standards suggest or require using the manufacturers' best practices when reading airflow on commercial kitchen hoods. Again, use the right tool for the right job. Manufacture correction factors — sometimes referred to as Ak — ONLY work when using the exact instrument they used, in the *exact manner* they used it.

For example using a velocity grid to read **airflow at a grease filter**, with one inch stand-offs, when the manufacture used two-inch stand-offs, can result in airflow readings 20% off from actual airflow.

ALL TRADES DO THIS

The HVAC and TAB trades aren't alone with regards to needing several tools for similar jobs. I have a friend who owns a Florida-based framing company. We often discuss issues impacting the construction industry in general.

I asked him about instruments specific to his trade and he explained EVERY item needed to run a six-man



Dawn Vickers-Mroczek of GVs Heating and Cooling, Glenview, IL uses a VelGrid.

framing crew by tool, make, model, and price. The bottom line is it costs him well over \$10,000 to equip his guys with everything they need. Each crew requires various nail guns, drills, saws, levels. Every drill will make a hole, but each has a specific application.

The same is true for the hot wire, rotating vane, straight pitot tube, and velocity grid: all of them read airflow, but each has a specific application. As NCI's David Richardson likes to say, "You can't use a single test instrument like a Swiss Army Knife."

All trades face such expenses. One thing my friend pointed out is that in most trades, if you try to use the wrong instrument for the wrong job, it's noticeable and easily spotted. Protruding nails, ugly cuts, etc.

You can't tell by eye if some one used a 2' x 2' balancing hood skirt on a 1' x 4' linear diffuser. You may feel it once the building is occupied and airflow is actually 20% to 30% lower than recorded, but the results are not always visible.

THE PRICE OF DOING BUSINESS

In any trade, you must buy the right tools for the right job. You also need to understand that instrument's purpose and know how to use it. With the right tools and instruments, you are fully prepared for any field variable, especially a confrontation or challenge.

Every certifying organization has a list of *required instrumentation*. If you DO NOT own the required instruments, you are not officially certified in spite of owning a "certification stamp."

With the right tools and instruments, you are more accurate in your measurements, diagnostics, and recommendations. All are vital in your TAB report to the customer. We expect every tradesperson who works on our homes to be properly equipped to perform the job at hand, why wouldn't we expect the same from ourselves?

Yes, it's expensive, but so is any trade. Owning, maintaining, calibrating, and correctly applying these instruments are the critical differences between a certified professional, and a guy with a balancing hood and a van.

If the cost of being a professional doesn't agree with you, as Ted Knight said in the film *Caddyshack*, "**The world needs ditch diggers, too.**"



Scott Fielder is director of National Balancing Council, a division of National Comfort Institute, Inc. He is responsible for vetting and approving all applicants for certification, developing and modifying course and exam material, providing

both technical and administrative support to NBC Certified Professionals, promoting NBC to future applicants, contractors, design teams, and facilities owners.

Joseph Kosky of the University of Pittsburgh, using the Rotating Vane Anemometer.



Don't Have A Sales Process? Here's What it Means to Customers, Employees, and You

Successful sales people are effective at adapting to ever-changing circumstances during their sales calls. No two customers are alike, and the best at selling actually enjoy the challenges such diversity brings. It follows that these pros are not inclined to be constrained with a step-by-step, follow-the-numbers in-home sales process.

However, following a proven process will produce better results. Henry Ford revolutionized the automobile industry with an assembly-line process. Service technicians are taught how to follow an established sequence of troubleshoot-

ing steps to root out sources of problems. Installers are trained to follow an efficient process for removing and replacing old equipment so that every installation is done correctly.

Successful companies invest the time to document the right way to do things, so each team member has the information necessary to do their job well.

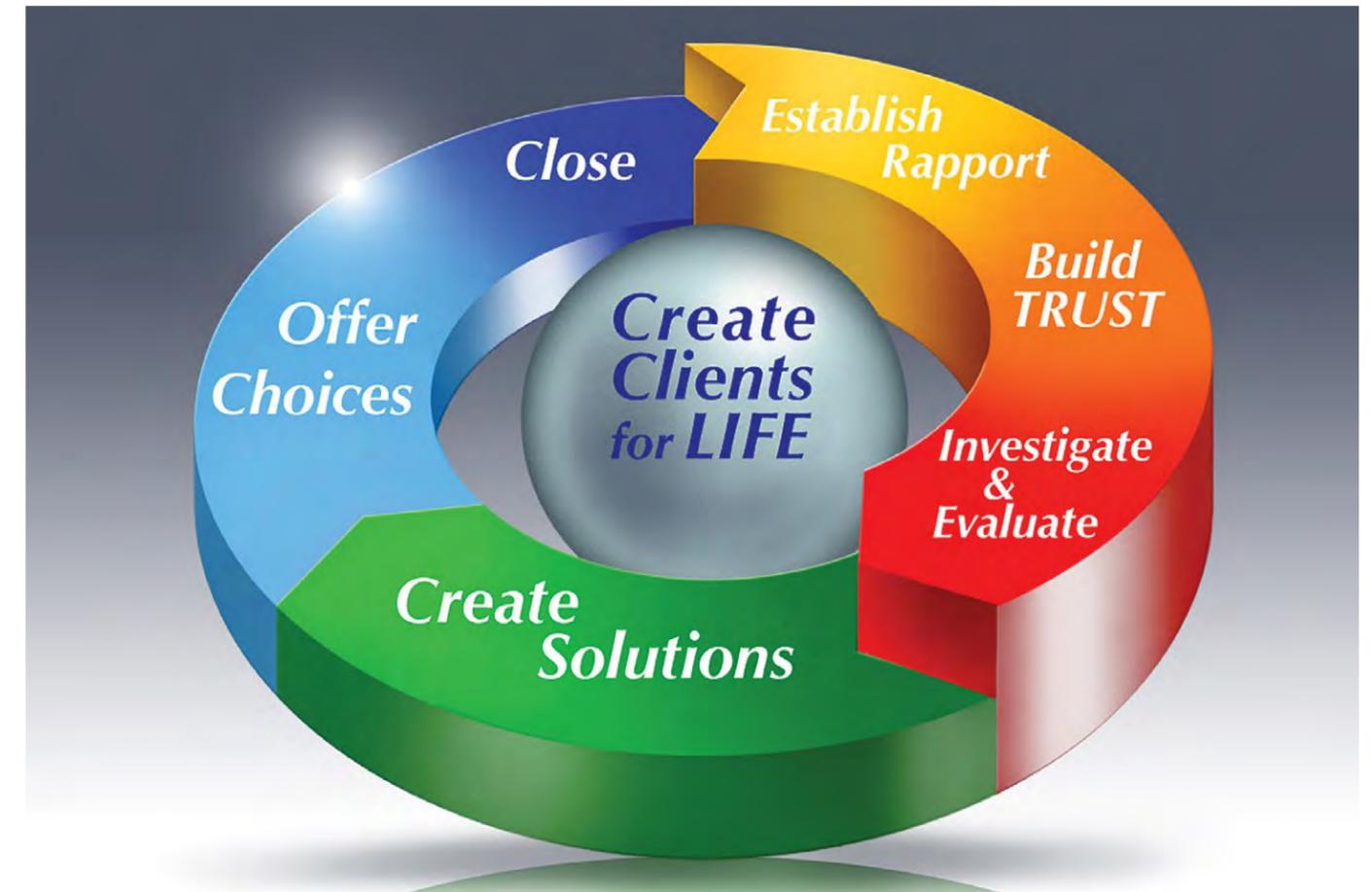
Every company benefits from creating and managing a proven sales process. Team members appreciate knowing what their part in the sales process is, and the sales person, consistently following established best-practices, benefits by selling more jobs for more money.

Let's take a look at the reasons for having a company sales process and managing your team members to support it.

CUSTOMER EXPECTATIONS

When an existing, or potential, customer calls to schedule a sales call, they expect to work with a qualified representative. After all, a new HVAC system is something they will live with for 15 years or more and will impact their entire family in many ways. Most people only go through the replacement process once in a lifetime. They are a bit apprehensive about investing thousands in something they know little about, from a company they may not have a lot of experience with. They expect a professional approach from a professional person. Winging it on the call won't deliver that impression, or a great result.

I've been on ride-along sales coaching calls that lasted 20 minutes while others took more than three hours. You can imagine what the 20-minute call was like: a quick visit to the basement,



attic, or crawl space; a look at the condenser; a note with a few numbers on it; a quick photo or two; and then a thank you and promise to the customer that a bid, quote, or estimate would be emailed. Surely there was more to look at, more to inspect, more to measure, and more questions to ask.

START WITH A PHILOSOPHY

Have you ever considered the lifetime value of each customer? If you add up the replacement sale, annual maintenance, service repairs, accessory sales, a second replacement, this can total \$30,000 or more. It's nice to think that every time the phone rings there is someone calling who rep-

resents that kind of revenue potential. I encourage you to think of these repeat customers as clients.

How many clients would you like? Thousands, right? Well how about having a philosophy that says every sales call is an opportunity to create a \$30,000 client-for-life? With that as your mindset, being prepared and having a professional sales process makes a lot of sense.

NEXT, YOUR PRINCIPLES

When owners are growing their business and doing the selling, they are usually very effective at convincing customers that they will take excellent care of them. This means

doing whatever it takes to insure customer satisfaction. As the company grows and others take over the selling, it's important to make sure they understand how to communicate the same commitment to excellence. There are fundamental principles that drive philosophy and behavior, and you should think about them, discuss them, and get buy-in from your team.

Four of my favorite principles are:

- ▼ Honesty
- ▼ Integrity
- ▼ We will not judge what customers may or may not want
- ▼ We will not judge what customers can or can't afford.



PROFESSIONAL SELLING SERIES

With this article we kick off a series that will take a deep dive into the sales process. Authors that include Tom Piscitelli, Drew Cameron, and others, will provide ideas and tips to help you grow your Performance-Based Contracting Business.

SALES PROFESSIONALISM AND ACCOUNTABILITY

The HVAC industry spoils sales people by giving them hundreds of leads. This is often too many to handle well. I ask sales people to keep these four best practices in mind:

- ▼ Every lead you get is to be valued and respected as an important company asset
- ▼ Every call must get your best effort. You understand the decision your customers make will impact them and their family in many important ways for up to 20 years
- ▼ Always follow up with the custom-



EVERYTHING AND EVERYONE IN YOUR BUSINESS DEPENDS ON THE SUCCESS OF THE SALES PERSON. I'M NOT CERTAIN THAT MANY SALES PERSONS UNDERSTAND THIS.

er until they make a buying decision

▼ When they choose you, you will continue to serve them after the sale with intention to create a personal connection that produces repeat business and referrals.

NOTHING HAPPENS WITHOUT A SALE

Old sayings like this one stand the test of time because they represent the truth. Everything and everyone in your business depends on the success of the sales person. I'm not certain that many sales people understand this. It's important to discuss this fact with them and with all team members. In many ways, all team members are doing something that contributes to the sale or that fulfills promises the

sales person made. In this context, everyone is in sales.

I encourage sales people to reach out to everyone connected to the sale in any way. This includes the receptionist, CSR or sales coordinator, all of the installers, office support staff, and service technicians.

COMPANY'S REVENUE PER LEAD

HVAC marketing firms often say the cost for a marketed lead is \$300 or more. Given a close rate of 40%, then the marketing cost per sale is \$750. No one would deliberately flush that much money down a toilet, but that's exactly what happens when a sales person doesn't have or follow a professional sales process. Sure, everyone has an off day, or a bad call, but

to consciously cut corners or otherwise short change the customer, also short-changes the company and all of its team members.

A PROVEN SALES PROCESS

This article has, I trust, made the case for having a sales process and the value it represents. In the next articles we'll look at what each of the steps in the in-home sales process can be and what you can do to create them for yourself. 



Tom Piscitelli has over 40 years' experience in HVAC sales, sales management, marketing and consulting. His articles have been published in trade magazines. He often speaks at industry events and has produced

three HVAC sales training DVD's. Tom particularly enjoys bringing cutting edge training approaches to our industry. His website is www.sellingtrust.com.

His most recent project has been co-authoring and publishing the book, *Proposition Selling: How to Create Extraordinary Success in Business-to-Business Sales*. Learn more at www.propositionselling.com.



"Why are my utility bills so high?"

— Bradley Hoff, Trinity Air, Peachtree City, GA

"Our power bills are high. We've been using this other contracting company for service for 10 years." WHAT???

Bradley Hoff from Trinity Air is the August 2018 winner of our Photo-of-the-Month contest, as voted on by the subscribers to the [High Performance HVAC Today magazine](http://HighPerformanceHVAC.com) and visitors to the website. He will receive a \$50 gift card.

You can too – submissions are always welcome. If you'd like to submit a photo for consideration in our Photo-of-the-Month contest, go to ncilink.com/POMSubmit and fill out the information as requested.

THE SEPTEMBER CONTEST OPENS ON AUGUST 13, 2018.

That gives you plenty of time to submit something in any of our three categories: **The Good**, **The Bad**, **WTH (What the heck)**. **Submit today!!**

ADVERTISEMENT

Providing equipment at a substantial savings, and without an extensive delay

When distributors of HVACR equipment have surplus equipment, they often look for ways to turn that equipment into cash, rather than let it languish in inventory. Often those distributors call Lazco Corp. of Scottsdale, a company that's been buying and selling surplus HVACR equipment for 30 years.

Lazco Corp.'s core business is buying and selling HVACR equipment, parts and compressors, new, surplus or used, in global air conditioning markets.

Steven Lazar, Lazco Corp.'s owner, pointed out that while contractors generally don't stock HVACR equipment, distributors do, and sometimes their warehouses get full of too much equipment.

"We help to clear up warehouse space for them," Lazar said. "We are the way they can take their surplus equipment and turn it into cash because we provide the assistance to move their equipment out of their warehouses."

Lazar noted that often Lazco Corp. will take surplus equipment in Arizona and move it to a state like Michigan, "where you still can sell a 13 SEER unit," he said. "Or we might send the surplus equipment to Miami, where it will then be shipped to South America."

Lazar said that some of the area distributors Lazco Corp. works with include Phoenix Wholesale, Rheem, Nordyne,

Sigler Wholesale Distributing, and Ferguson. He pointed out that his typical inventory usually includes Trane, Carrier, Rheem and York rooftop units, Napoleon/Goodman Manufacturing units, name brand mini splits, chillers, boilers, generators, compressors and controls.

"We like to ship direct from the source, whether a distributor or manufacturer, to our customer, wherever they might be in the world," Lazar said. "Our goal is to take the surplus inventory from one area, and move it to a part of the country where it can be sold."

Lazar cited as case study a client in Florida. He said the client, a hospital, found Lazco Corp. online (www.lazcocorp.com) and advised that it needed to replace a 400 ton chiller that had gone down. The hospital wanted a replacement as soon as possible.

Lazar said that a manufacturer quoted the hospital \$140,000 for a new chiller and a nine week delivery time. Lazco Corp. sold the hospital a new 400 ton water cooled screw chiller for \$66,000 and delivered it in three days.

"We were able to provide them equipment at a substantial savings," he noted, "and without an extensive delay."

480-265-9980 | www.lazcocorp.com

ARE YOU USING HIGH-PERFORMANCE TALK?

One of the key features of NCI membership is having access to our peer-to-peer discussion forum, which we call [High-Performance Talk](#). This is included in your membership and exclusive only to NCI members. It's easy to use, and most importantly, provides you direct access to fellow members – some of the best minds in the Performance-Based Contracting™ industry.

The forum enables you to access all the discussion threads via email, just like our old discussion list used to. Simply send your email address to highperformancetalk.com once you're signed up.

It's simple to sign up and participate.

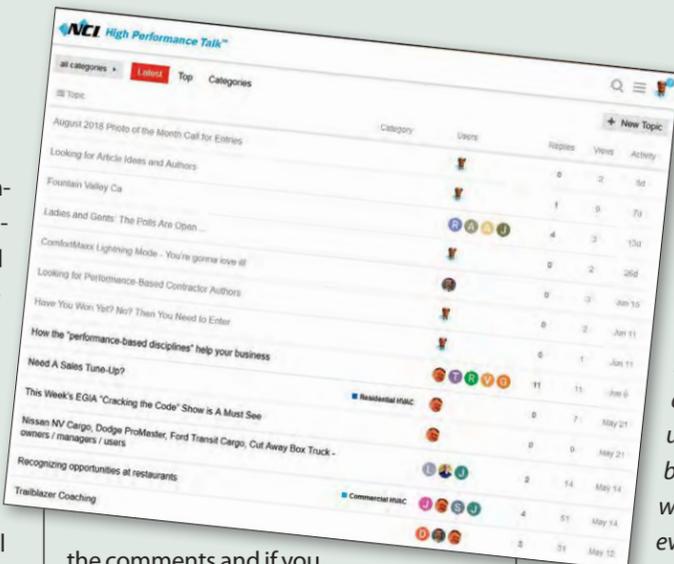
If you aren't already set up with High-Performance Talk, **please call NCI Customer Care at 800-633-7058**, Monday - Friday, 8 AM - 5 PM EST.

We'll get you on the site and help with any questions.

Once in, customize your profile or scan the topics and jump right in.

On the main screen you can organize topics by clicking the TOP button (sorts by the most active topics at the top), by CATEGORIES (click the categories button), or stay with the default LATEST sort to see the newest topics.

You can start a new topic by clicking the NEW TOPIC button in the upper right-hand corner. Or pick one of the topics already listed and click on it. Read through



the comments and if you want to contribute, feel free to do so.

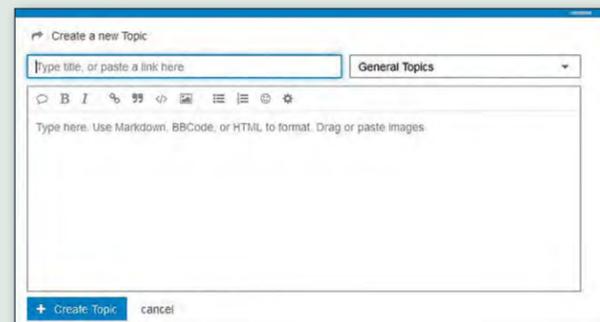
Like other social media sites, you can tag people you are mentioning in your conversation by using the "@" symbol in front of their name.

You will receive an email notification every time a topic you commented on, or one you started, gets a response (if you're not actively on the site). The good news is you can then respond by email – you don't have to log back onto the website unless you want to. You can even begin new posts by email. You can adjust your email notification frequency at any time via your settings.

To start a new topic (shown above), just add a title to the upper left box, click on the general topics drop-down menu to assign your thread to one of the specific topic areas, then start typing. You can create bold type, underline type, embed web links, photos, and more, easily.

High-Performance Talk is mobile friendly, meaning you can easily read and reply to posts from your mobile phone or tablet.

This is a professional site and it does have some rules to follow. Just check the [Guidelines and Usage Rules](#)



and [Privacy Policies](#) for more information.

Says Greg Vickers of GV's Heating & Cooling Inc., Glenview, IL, "High-Performance Talk lets us connect with other performance-based contractors all around the country. It allows us to help each other with business and technical issues we may be having and can even help us help customers who move to other areas find good NCI-member companies."

That's it. High-Performance Talk links you to your performance-based contracting peers like no other forum can. From CO to air to business practices, ask your fellow members (and NCI knowledge experts!) for advice. Please contact our Customer Care line at 800-633-7058 to get started now.

DID YOU KNOW ...

Did you know NCI's member support not only includes technical, but it also offers sales, marketing, and business management assistance? It does. Call 800-633-7058, Monday-Friday, 8 am–5 pm ET.

Did you also know that as an NCI member, you have access to the [ComfortMaxx software](#) which provides you advanced diagnostic abilities that let you outperform your competition? ComfortMaxx does this by helping you to pinpoint the most cost-effective repairs, help customers save more energy, and can increase your technicians' productivity and installation quality.

So, are you using it? If you need help getting started or have any questions, call our Customer Care line at 800-633-7058.

Advertiser Index

Goodman Manufacturing www.goodmanmfg.com	2
High Performance HVAC Today Magazine HVACToday.com	29
Jackson Systems www.jacksonsystems.com	21
Lazco Corp. www.lazcocorp.com	27
The New Flat Rate www.thenewflatrate.com	4
TSI, Inc. www.TSI.com/comfort	5

To Subscribe to High-Performance HVAC Today:

ONLINE: Visit HVACToday.com/subscribe for a FREE digital subscription.
PRINT: 1 year/\$72; single copy \$7. Canada: 1 year/\$92; single copy \$9. Payable in advance with U.S. funds. Prepaid subscriptions may be sent to: High-Performance HVAC Today, PO Box 147, Avon Lake, OH 44012. Phone: 440-949-1850; toll free 800-633-7058; FAX 440-949-1851, or visit HVACToday.com/subscribe to order online.



HIGH PERFORMANCE HVAC TODAY

Publisher
Dominick Guarino

Editor-in-Chief
Mike Weil

Art Director
Connie Conklin

Online Development Director
Brian Roseman

Sales Manager
Dave Kenney

Circulation Manager
Andrea Begany- Garsed

Editorial Assistant
Marge Smith

Email us at contactus@hvactoday.com with your comments and questions.

Subscribe to High Performance HVAC Today

High-Performance HVAC Today magazine highlights news, commentary, and technologies that impact performance-based HVAC contractors and their customers.

Visit our website to sign up for a FREE digital subscription or to order a printed subscription for one year (12 issues). \$72.00 US, \$92 CA



Go to <http://ncilink.com/subscribe> or scan this QR code to sign up online



1-800-633-7058 • www.HVACToday.com

Why ASHRAE 221P is a Home Run For The HVAC Industry



Dominick Guarino is publisher of HVAC Today magazine and CEO of National Comfort Institute, Inc. He can be reached at domg@nchvac.com

In case you missed it, there's a new proposed ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) standard called 221P. It's focused on delivering high performance HVAC systems to residential and commercial customers. The standard is a "Test Method to Field-Measure and Score the Cooling and Heating Performance of an Installed Unitary HVAC System."

The proposed standard, which just went through a round of full review and public comment, hit a major wall of resistance by some manufacturers and the Air Conditioning, Heating, Refrigeration Institute (AHRI). AHRI is an association of HVACR equipment manufacturers and is also the industry's equipment performance standards and certification body.

IT'S NOT AN EQUIPMENT STANDARD

I have a great deal of respect for AHRI and its member companies, as they provide an invaluable service to our industry. It appears, however, that there is a great deal of confusion about the scope and intent of ASHRAE 221P.

Part of the issue seems to be that they see the words, "Unitary HVAC System" in the standard's title, and draw the conclusion that it's an equipment performance standard — something they already do in their AHRI certified labs.

I could see how one could draw this conclusion, but when you dig deeper, you'll find the rating is about the air distribution system, **NOT** the equipment. The word "Unitary" is in the standard's title to define the type of installed equipment. It's not intended as a rating of the equipment itself. To be fair, when you look at it through AHRI's and the manufacturer's eyes, it's easy to see the potential confusion.

Hopefully we can get past the title of the standard, and either rename it to make its scope clearer, or define it more clearly in the Purpose and Scope section of the standard.

WHY MANUFACTURERS AND DISTRIBUTORS SHOULD SUPPORT IT

It's important to note that the intent of the standard is not to create a new rating of the unitary equipment itself, just the opposite. Put in simple terms, the standard's focus is on the air distribution system and its interaction with the space it's conditioning.

Finally, there would be a way to take the bullseye off equipment that is running within its manufactured specifications, and onto the delivery system. It doesn't matter if the delivery system is installed in a brand-new home or building, or in an existing structure.

With this standard the industry has a unique opportunity to improve brand reputation in the eyes of end customers.

HOW QUALITY CONTRACTORS WOULD TRULY BENEFIT

The really good news is the standard would finally support contractors who want to do it right. HVAC contractors who follow the standard, and get the training and tools to deliver high-performing systems, will finally have a chance to separate themselves from low bid, low quality competitors.

This is what Standard 221P was intended to do: **Raise the bar for the entire industry by holding it accountable at the field level.**

We are already accountable at the manufacturing level under AHRI's watchful eye. We would finally have the opportunity for accountability through the entire chain, from manufacturer to consumer! Let that sink in. This simple standard could go a long way towards improving our industry's reputation in our customers' eyes!

Consumer education is key to success, but with a standard like 221P, high-performance HVAC contractors would finally have the ammunition to educate their customers about what they do differently and why. 

SAVE THE DATE!



SUMMIT WEEK

April 15-18, 2019

Wyndham Orlando Resort • Orlando, FL

HIGH PERFORMANCE



HVAC SUMMIT 2019

Watch your email for more info!

HIGH-PERFORMANCE TESTING SOFTWARE

ComfortMaxx™

Lead Generation | Diagnostics | Sales | Accountability

Generate high quality leads and impress your customers with professional and easy-to-understand reports about their comfort systems. This will help differentiate your company as a performance-based leader in your marketplace.

- Close more sales
- Create consumer-friendly visual reports
- Improve testing accuracy
- Eliminate math errors
- Eliminate handwriting legibility issues
- Easily access customer data, equipment inventory and testing history

NOW AVAILABLE!
New AirMaxx Lite™ companion mobile app included at **NO EXTRA COST**



CALL CUSTOMER CARE AT 800-633-7058 TO GET STARTED TODAY!

Experience "LIGHTNING Mode"!

We are excited to announce a brand new ComfortMaxx feature called "Lightning Mode." Lightning Mode employs a simple switch that allows you to view ComfortMaxx screens showing the bare minimum fields needed to perform testing and diagnose and rate systems at lightning fast speed.

Testing just got easier!

