

Episode 62 - Ron Smith - Three Tips to Improve Your Business **[00:16:12]**

Intro: Welcome to Profiles In Prosperity. The leading podcast for residential service contractors, sponsored by Service Roundtable and hosted by David Heimer.

David Heimer: Hello, I'm David Heimer and this is Profiles In Prosperity. I'm especially pleased to speak with Ron Smith today. I've known Ron for a long time. He was on the Service Nation board of directors with me, and he is a very accomplished guy in our industry. Ron's long list of accomplishments, contributions to our industry and awards, are probably a couple of pages long. So I'm just going to hit a few of the highlights. Ron was the founder of Modern Air in Fort Myers. He ran it for 21 years, grew it, and sold it. While he was there, he introduced many important new concepts to residential service and he brought in some great new talent to our industry. Charlie Greer is one of the founders of Service America. The first national HVAC franchisor. He was the chief operating officer of Service Experts. He grew it to over 600 million before selling it. He is the author of HVAC Spells Wealth.

This is frankly, in my opinion, the Bible of residential service for our industry and just a small segue here. If you haven't read it, go to shop.serviceroundtable.com now and get it. It is simply the best book on residential service, period. I know it has HVAC in the title. But if you are a plumber or an electrician, it is a great book for you too. Ron is the author of HVAC light commercial service agreements book. He is a leading consultant in our industry. He's been named as a member of the contracting business hall of fame. Named as one of the most influential people in the HVAC industry ever. He is a Service Nation Consultant of The Year. The HVAC trailblazer award is named after Ron. The ACHR news named their leadership award the Ron Smith's leadership award to honor Ron. Ron was awarded Service Nation's highest award, the Service Leader Award. And

Episode 62 - Ron Smith - Three Tips to Improve Your Business **[00:16:12]**

Ron is a founder and board member of Service Nation from inception until sale. And there's a lot more, but I want to talk with Ron, not just read his accomplishments. So Ron Smith, welcome to Profiles In Prosperity.

Ron Smith: Well, thank you. I didn't even know that was me.

David Heimer: I was always very impressed with you when you served on the board of directors at Service Nation. You're a guy that doesn't talk incessantly. They're always people who need to talk a lot, that's not you, but when you said something, it was always useful. I remember you delivering great nuggets of information and advice. You talked about focus one time, metrics, customer relations, employees. It was always good stuff, always top-notch advice. You are now and have been for a while a consultant in our industry, you've worked with, you've observed so many contractors. You could say a lot of things about that, but what I was hoping today was just for some nuggets and I was hoping you could give us just the top three tips for contractors. What would those be?

Ron Smith: Okay. Top three tips. I'll tell you what I'm doing. So I guess they would be considered tips. Number one, I'm always looking for a new product or a new service that I can add to what I call my present portfolio of products and services. I think all companies should have a portfolio of the various products and services they have available for their customers presently, and be thinking about what they want to have for their customers as we move forward. Because that'll change and it always does. But that would be number one, always looking for new products and services that can add. Because, once we get a dedicated customer and to me, that's a service agreement

Episode 62 - Ron Smith - Three Tips to Improve Your Business

[00:16:12]

customer.

But doesn't have to be a service agreement customer, but a customer that we can rely on that's going to do business with an ongoing product. I feel it's like our responsibility to keep them advised of what they should have and also what they should not have in order to enjoy a pleasant indoor environment. That's what we do in the heating and air conditioning industry is we provide an indoor environment. So I don't think of myself just as a company that can provide cooling if it's hot outside or heat if it's cold outside. I think of myself as a company that provides a pleasant, safe, indoor environment.

The second would be, don't forget your present and past customers. As an example, personally, every couple of weeks I develop and send an email to someone I haven't talked to in quite some time. It may be a past customer. It may be a customer that does so much business with us and we never take the time to thank them. And whatever it is, I want to reach back to my older customers that've been around for a while and touch base with them so they know I still love them. I think that's a critical thing that a company could be doing and it takes very little time.

And the third one I would be doing, and I always did. I would visit another HVAC contractor somewhere, maybe not in my immediate area, but somewhere that I either know or should know and spend a day with them. And I think in doing that, you would learn something that you can use in your company and you can reciprocate by sharing something that you might be doing that they could use in their company. And I just think that's a great idea and it always worked well for me.

Episode 62 - Ron Smith - Three Tips to Improve Your Business

[00:16:12]

David Heimer: These are great. So new products and services, when you're out looking for new things, do you follow any sort of methodology or is it just one of those things that's always constant in your mind? Is it just that you always know, I've got to find something new, I've got to find something new?

Ron Smith: Well, I've done it for so long. It's just ingrained, but there's different ways of doing that. One of course is visiting these other contractors that I've already talked about as item three, the other would be to attend industry events. Example, I would never let a Service World Expo event go by without being there because I am almost always going to see a product that I haven't seen before. And while I'm there, I'll be chatting with many of the people that I know and people that I don't know that are there and I'll probably learn something from them as well. So I think, you have to be visible in the industry and get out and get involved in it and contribute to the industry in any way that you can. We're blessed to be in a great industry that has a future. {Inaudible 06:30} industry did not have a future. We have one, it's not going to go away. In fact, it's going to continue to get better. So I just want to be involved as best that I can. And that's how I'm going to learn a lot about these products and services I may not be aware of right now.

David Heimer: Then when you reach out to past customers, I've heard a couple of different approaches in this. One approach, which a manufacturing company in our industry found out they recently implemented is that they have every one of their territory managers call three customers every day. Every day, you've got to call three customers that are on this list. That way they're going to go through their entire

Episode 62 - Ron Smith - Three Tips to Improve Your Business

[00:16:12]

customer base at some point in time. And every customer is going to get a phone call. So do you follow a methodology like that? Or is it more of a, who haven't I talked to in a while? I know your personal business is probably different, but what is the methodology that you follow?

Ron Smith: Well, mine would be just what you mentioned second. That would be who I have not talked to in quite some time. Sometimes when I go through my customer list, which is pretty extensive, I'll notice names and companies of people that I've done business with for years and years and I haven't even talked to them. The people in my company have talked to them, but I haven't. And I think it's important that they hear from me. And so I just call them up, I don't have anything on the agenda. I'm not trying to introduce a new product, I'm not trying to get more business from them, I just want to chat with them. And I want them to know that I still appreciate them and always will. It's just a cordial phone call is exactly what it is.

David Heimer: So an HVAC company owner, would you suggest that they follow that same process? Look at their customer lists, go through it. Oh, I remember this guy, I haven't talked to him in a long time, just give him a call, say, look, I appreciate your business. You've been a long-time customer of ours. I want to let you know if there's anything I can do. We're here for you guys and thanks again for your business and your support all these years. So that's kind of the nature of it?

Ron Smith: That was perfect. That's exactly what it's all about. I'm not there introducing them to a new product, I'm not asking for more business, I'm thanking them for the business they've given me and I'm hoping that they will continue to do so.

Episode 62 - Ron Smith - Three Tips to Improve Your Business **[00:16:12]**

David Heimer: And then visiting another company, members of our advisory board do this periodically, they will go and visit the other companies that are on their advisory board. Sometimes it's a whole group of them. Sometimes it's just one going to visit another. Have you seen any particular practice around this that you would say, this is what you ought to do when you do this? Or would you recommend that it's just kind of an informal thing and you just take it upon yourself to go see a few companies every year?

Ron Smith: Well, I just take it upon myself to do it, but what I have found out is you're going to have to ask if it's okay, you can't just go barging in unannounced. And what I have found, which is pretty interesting when they know you're going to be coming within a couple of weeks or whatever the appointed day or two days are. They will clean the place up. You can bet on that. It's going to look better than it did a couple of weeks ago. And they'll have things pretty much in order. And the offices will look nice, the warehouse will look nice. That parking area, generally all that's going to look like it should every day. Although it probably doesn't look that way every day. So that's number one. Secondly, I'm not in there in no way at all to criticize what I see. I'm in there to learn, to let them know that I appreciate being able to be there. And while I'm there, I can share information that I think might help them. So it's not just a one-way benefit. It's not just for me, it's for them as well.

David Heimer: Bring something right? Like bring some ideas, bring some products, bring something that you can share when you go there and be ready to help them as well.

Episode 62 - Ron Smith - Three Tips to Improve Your Business

[00:16:12]

Ron Smith: And that's generally, if I go through that company carefully and I don't want to start at the top and work my way down. I can learn more from somebody out in the warehouse than I can generally see somebody that's an officer in the company. And so I want to be able to recognize everybody there regardless of their position. I think that's very important. I think it's good for them, I think they like that. The recognition makes them feel more important and more valuable and they are important and valuable. And it's just something I learned to do a long time ago. I started out in the warehouse with the guys, loading the trucks or whatever they're doing and worked my way up to the president. Not work down, but work up.

David Heimer: It's really interesting. So, when you and I were talking about this. I sort of figured if I were doing this, I would call up the owner and I'd say, Hey, can I come by and visit for a day just to spend some time chatting with you, looking over what you do, that kind of stuff. But you're not wandering around the whole day with the owner. You're out there on your own talking to people. Is that right?

Ron Smith: That's exactly right.

David Heimer: Do you think owners feel awkward about that?

Ron Smith: I don't think they do. If they do, then there's a problem. They shouldn't feel awkward about it. I'm here to help them, not to harm them. If I see something that really concerns me, I'm certainly going to talk to them about it, but I'm not there as a placement. I'm there as somebody that could probably help them and at the same time, I'll learn something that will help me.

Episode 62 - Ron Smith - Three Tips to Improve Your Business

[00:16:12]

David Heimer: There are some contractors and I always think about Larry Taylor and Ben Stark. They were in the same town, Fort Worth. And they were on the surface competitors because they're in the same town in the same market. But they were completely open with each other. They meet every couple of weeks and talk to each other and it's a big market, so they didn't really run across each other that much. But they're always kind of the exception to the rule. And I think it's a great example. I think more people should follow their example, but the reality is that a lot of people won't. So is it easier for a contractor to go and talk to somebody in a separate town, in a market that they're not in? So they're not competitors. Do you get better results doing that?

Ron Smith: Absolutely there's no doubt about it. We don't have only about 50 miles from Atlanta, maybe 45 miles from Atlanta. And there are some huge heating and air conditioning companies in Atlanta that are doing an excessive 40, 50 million a year. There's a company in Naples, Florida, which is where I was from Fort Myers and Naples. It's doing 70 million a year from Marco island north up through Sarasota. So there's some big companies out there these days. And I find that most of those are receptive to having somebody visit them and will take the time to spend with them.

I lived in Tennessee for about 12 or 14 years, mid-Tennessee, in a city called Brentwood. Brentwood's about maybe 10 miles south of Nashville. And it's a new city, there's nothing there over 50 years old, including all the buildings. Another eight miles south is Franklin, which is a civil war community. You can still see the bullet holes in some of the homes. And so there's two companies there that are huge. One of them is Hiller, Jimmy Hiller, Hiller Plumbing, and Air. And the other one is Lee's company. The

Episode 62 - Ron Smith - Three Tips to Improve Your Business **[00:16:12]**

last time I talked to Bill Lee, they had 1,450 employees. That's a big air conditioning company. Now Bill is now the governor of Tennessee. I don't know if you knew that.

David Heimer: No, I didn't know that.

Ron Smith: Yeah, sure. I'm probably the only guy in Georgia that voted for him. I might not have voted by sending him some money, which he probably didn't need, nice guy.

David Heimer: And it's awesome to have people from our industry doing so well in politics, isn't it?

Ron Smith: Yeah, it really is, it's unusual. But he's got the kind of company after all these years where he doesn't have to be there every day. He's got people that can do that for him. I knew his father, Wallace Lee. I don't know if you ever heard of Wallace, but Wallace was the president of HCCA for 2-3 years in a row. He was very active in the industry. And so Bill had just pretty much followed him. Bill's a very nice person. He actually preaches sometimes and does all kinds of things for the community.

David Heimer: There are some fabulous people in our industry.

Ron Smith: They really are.

David Heimer: Well Ron. This has been fabulous. I really appreciate it. You completely met my expectations. You always have these great nuggets, great information, stuff that other people don't think about and it's terrific. So thank you for doing this with us. If somebody wanted to get in contact with you, what would be the best way for them to do

Episode 62 - Ron Smith - Three Tips to Improve Your Business [00:16:12]

that?

Ron Smith: The very best way would be to send me an email and I'll give you that email address and they're welcome to send any and all the emails they want. My address is Ron L like in love Ron L Smith 2 the number two @ bellsouth.net.

David Heimer: Give it to us one more time.

Ron Smith: ronlsmith2@bellsouth.net.

David Heimer: Well, this was terrific.

Ron Smith: I really enjoyed doing this and I thank you for the opportunity.

Outro: We're always looking for good ideas and interviews for our podcast. If you have an idea or maybe you think you should be interviewed, just shoot an email to profiles Prosperity@serviceroundtable.com. That's profiles Prosperity@serviceroundtable.com. If you think what we're doing has any value, it would be very helpful if you would give us a great rating on iTunes. Thanks for your support. Hope to see you again soon. Bye.