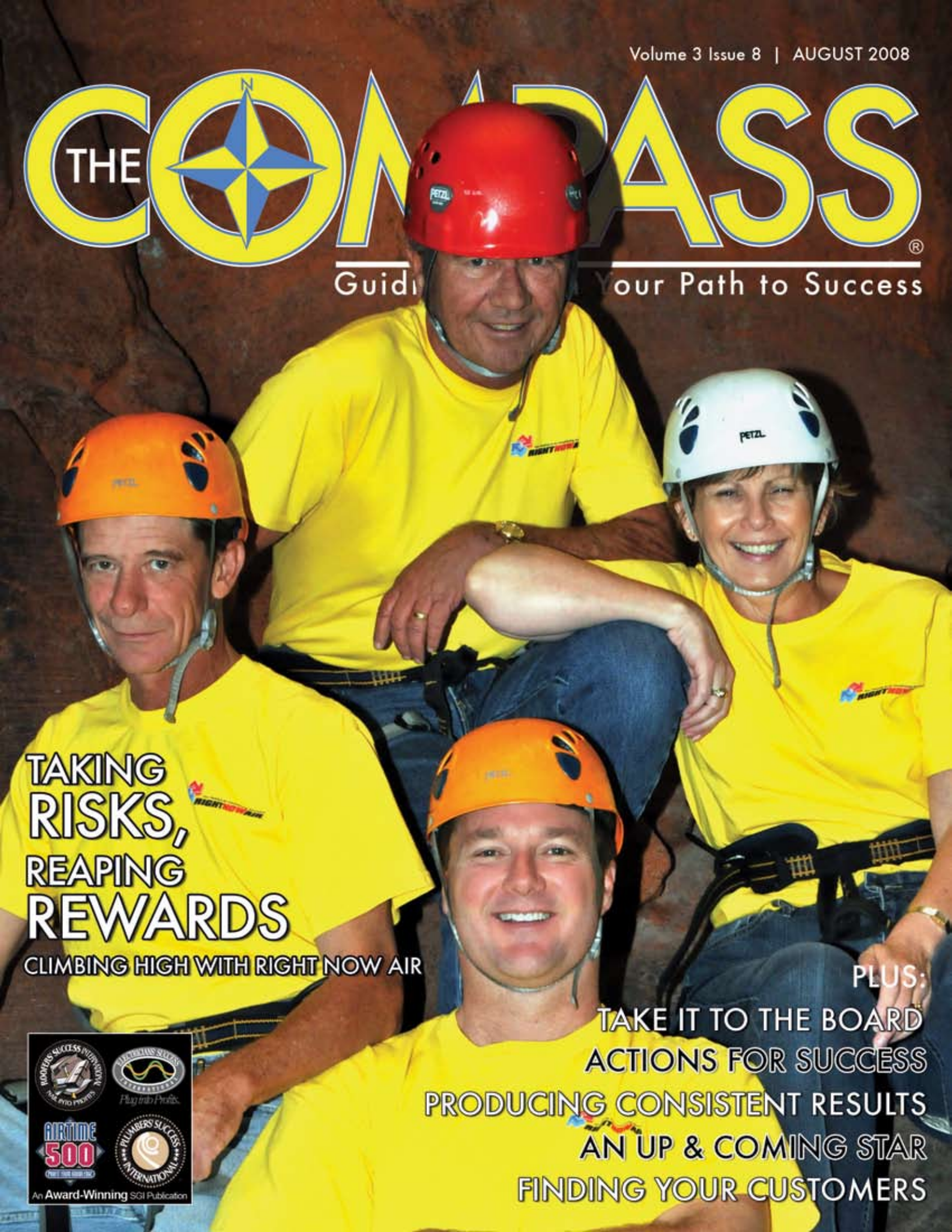


THE COMPASS

Guiding Your Path to Success



**TAKING
RISKS,
REAPING
REWARDS**

CLIMBING HIGH WITH RIGHT NOW AIR

PLUS:

TAKE IT TO THE BOARD
ACTIONS FOR SUCCESS

PRODUCING CONSISTENT RESULTS

AN UP & COMING STAR

FINDING YOUR CUSTOMERS



TAKING RISKS — REAPING REWARDS

by Bob Houchin

The movie *The Odd Couple* premiered to rave reviews in 1968. Audiences across the country were drawn to this humorous story based on the unlikely friendship of Felix Ungar and Oscar Madison. In the film, Ungar's wife throws him out of their house, and with nowhere else to go, he must move in with Madison.

At face value, the storyline doesn't sound unbelievable... or funny. Who wouldn't help a friend in need? The comedy unfolds while watching the main characters interact, because the two are complete opposites. Ungar is a neat freak and a serious news writer; Madison is a sports writer and a complete slob. Despite these differences, the two make their situation work and work well.

In Las Vegas, Nevada, resides another odd couple. The two main characters are Larry Smith and Scott Meier. Instead of working in the news industry, they own an extremely successful residential HVAC company called Right Now Air. It should be added that neither man is a slob, but at first glance, the two are different.

Scott is a tall man with broad shoulders and light brown hair. He has a gregarious, outgoing personality that's infectious. It's rare

LARRY SMITH AND SCOTT MEIER OF RIGHT NOW AIR IN LAS VEGAS HAVE PROSPERED THANKS TO THEIR STRONG BUSINESS PARTNERSHIP AND THE HELP OF A DEDICATED TEAM.

not to see him smiling. Scott is also 15 years Larry's junior. They make a note of it in their marketing—Larry kiddingly is referred to as the "Really Old Wise Man of Air."

With age, Larry has accumulated some grey streaks in his thick, dark hair. He also possesses a smaller and leaner build. Like Scott, Larry is a good man who can converse freely with anyone, but unlike Scott, he is not an extrovert. In fact, most might consider Larry to be soft spoken and reserved.

The dissimilarities between both Larry and Scott appear obvious; yet they haven't mattered one bit. These two men have built Right Now Air into a thriving company, in a competitive market, because of a few very big things they do have in common. That would be their trust and friendship with one another.

In fact, it was Larry's trust in Scott that initially brought the two men closer.

Before working together, Larry and Scott each owned their own successful heating and cooling companies. Keeping with the opposites theme, of course, Larry's focused more on commercial, and Scott's on custom homes. Being active in the HVAC community, the two struck up a friendship, which grew vastly after Larry asked Scott for a very big favor one day.

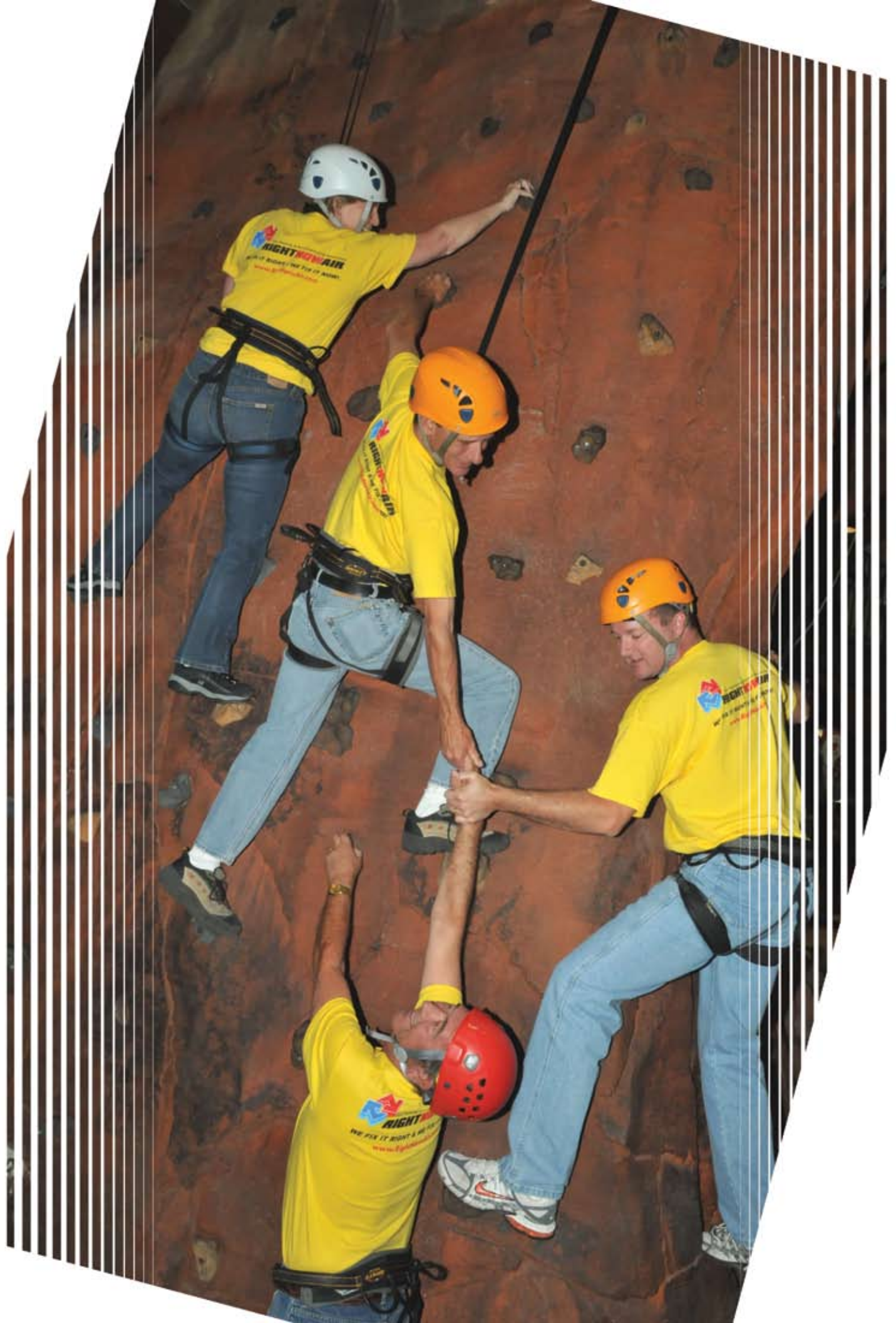
"Larry called me and said that his dad had passed away unexpectedly. He asked if I could run his company for him. I told him to forward his calls to me, and we would take care of it. So for ten or 12 days, that's what we did. When Larry came back, I had cash, receipts, and invoices to show him," Scott remembered distinctly. "He took a huge risk in doing that, but it took our

friendship to a whole other level. We knew we could count on each other for anything from that point forward."

That trust is what led to a life-changing moment for the two men many years later. "I'll never forget. Scott came up to me sometime in 1998. It was when all the consolidating in the air conditioning industry was happening. We had both been approached to become one of their businesses, but neither of us had any desire. We wanted to remain independent, but we were both concerned. These consolidators had a heavy presence in Las Vegas, and we feared being put out of business," Larry said.

"Originally, Scott suggested putting together a group—he and I and maybe a few others—and make it large enough that we could get something out of it, should we become part of this

Climbing high together: (from the bottom) Larry Smith, Scott Meier, Bob Martin and Kathleen Evans of Right Now Air in Las Vegas, Nevada.



consolidator," he continued. "I listened to him for a while. Eventually, I asked him why he and I just didn't merge. After falling out of his chair and thinking about it for a while, he agreed, and that's what we did. We felt together we would be strong enough to stay in business."

Larry and Scott took the giant risk, and they combined their two companies, which both were generating over one million dollars. Larry's Refrigeration and Custom Cooling & Heating became Custom Cooling and Refrigeration. (Several years later, they finally adopted the Right Now Air name.)

What seemed like a surefire way to make each other stronger and more efficient

turned into some initial headaches. Merging companies presented a number of challenges. "We didn't anticipate the culture shock it would mean," Larry added. It took some time before he and Scott could recapture the business' direction and get it focused toward growth.

Something that helped the new partners was a piece of advice given to them from another friend. "Jeff Stewart called me. Jeff owned Quality Air Conditioning, which turned into Quality One Hour. It always was the benchmark company. We had been friends for as long as Larry and I have been," Scott said. "Jeff tells me there's an opportunity to get involved with this AirTime program. He said that I should go with him to a Profit Day. I went with Jeff while Larry stayed behind, and we ended up joining. It was what we needed."

Have Faith in the Program

Scott knew the program could work looking at Jeff's business as an example. The next step was to have faith that it would work for their business. Almost immediately, they began making some changes.

"We implemented the things that would meet the least resistance and make the most sense. One of the first things was StraightForward Pricing". In order to use it companywide, we needed to stop our commercial work. In total, that took about 18 months," Scott recalled.

"We had a couple of very large revenue clients, but the margins on the jobs were terrible," Larry added. "We decided to start firing them. One of the first was a \$400,000 a year job. When you're doing a little less than two million, that's a huge percentage of business, but we did it."

Gradually getting rid of the headaches that the big commercial jobs presented allowed Larry and Scott to work on reformatting their business. They could concentrate on residential replacement, service, and maintenance. "We never noticed the drop off. We got better at what we needed to do. We went on and replaced the business," Larry explained.

Step Outside Your Comfort Zone

Having faith and trusting that the AirTime

program can guide you toward success is only part of the equation. Larry and Scott also have found that they needed to have faith in themselves. They discovered that they were able to step outside of their comfort zone and take on challenges that they never anticipated facing.

"I think the turning point for our business happened in St. Louis when we attended a training program. It was about becoming operationally excellent. At the time, we had a gentleman who was our office manager, and we were going to make him our comptroller," Larry said. "It was at that training that we realized we really couldn't afford him."

"We felt like we were being held hostage. It wasn't his fault. It was a situation where

Let Your Truck's License Plate Holder Act as a Billboard

Right Now Air takes a great deal of pride in their fleet of vans which are beautifully wrapped. Each of them even has spinners with the Right Now Air logo proudly painted on each hubcap. "We have our trucks predominately placed on our website, as well," co-owner Scott Meier said. "People say they see our trucks all the time, so when someone just happens to visit our site, we want them to know who they're reading about."

Recently, Scott and his business partner Larry Smith added something else to their trucks to make them even more distinguishable. "I was driving in traffic one day, and I was behind a landscaper with a broken down white truck. He has this license plate holder that's lighted and flashes a programmed message and his phone number," Scott said.

"I called the number and talked to the guy the next day. I asked him what kind of response the signs were generating. He said it was the greatest advertising investment he ever made. He got more calls off of it than anything else," he continued. "They're like \$39 a piece. We just outfitted all of our trucks with them. So even if they only get us one call, they're worth it." SGI



neither one of us knew how to run a computer. We were technicians. So, our circumstances allowed us to be held hostage. But we couldn't allow it any longer."

After relieving their office manager of his duties, Larry and Scott took it upon

themselves to learn even more. They took an even greater interest in how to run the business. And they tackled new responsibilities they initially preferred not to face.

"It's one of those things. I always just wanted to work in the field and collect a paycheck. Just mail me my hundreds of



Right Now Air's spinning hubcaps.

thousands of dollars," Larry laughed. "It doesn't work that way. To be in business, you need to understand all parts of the business."

Plan for the Future

The toughest days have long since passed at Right Now Air, but that doesn't mean the challenges have ended. Larry and Scott understand that for success to continue, they need to plan for the future.

The two plan for the future every single week at their regular manager's meeting. During each meeting, for two to four hours, they sit down and talk about what needs to be done in the business to keep it growing. At the end, they share opinions and outline their expectations.

Larry and Scott are not alone in this meeting. A lot has changed since their last office manager. Now, the business is in a place where Larry and Scott can afford to remove themselves from some of the day-to-day operations and focus more on the vision.

They have added two managers that join this weekly meeting; one of whom is Kathleen Evans. Kathleen has been with the company since the merger, and she has worked for Larry since 1994. Today, she acts as office manager and helps Larry and Scott with a variety of tasks.

Bob Martin is their service manager. He started with Right Now Air in its infancy as a technician. Today, he trains the technicians, answers technical questions, and still runs calls. He, too, helps Larry and Scott with other duties.

Both Kathleen and Bob are with Larry and Scott every week for the meeting. "I love the meetings because Larry and Scott are always presenting new things and ideas," said Bob. "And they're teaching us more about the internal workings of how a business should operate. They actually came to Kathleen and me with their last budget. They asked for us to review it. That's what I enjoy the most."

Much of what is discussed during the manager's meetings is shared the following Tuesday at the weekly company meeting. "We want everyone to know what's going on with the company," Scott said. "It's all bigger picture stuff. It's important that everyone knows where we want to take this business in the future."

Leadership Requires Accountability

The weekly manager's meetings serve more purpose than simply planning for the future. The meetings provide leadership and accountability for Larry and Scott, Bob and Kathleen, and the rest of the Right Now Air team. It's transformed their expectations of everyone.

"Before, everyone would say they would do ten things, and would only come through with six or seven. We made a commitment to provide management, leadership, and accountability for everyone. That's why we came up with the Promise and Commitment Sheet," Scott said.

Success Starts with Your Office Staff

Your telephone is the most important tool in your company. Right Now Air understands this concept very well. That's why they spend a great deal of time training and working with their office staff.

"I've never done this much training before," Office Manager Kathleen Evans said. "But it's paying off, and that's what's most important."

Before anyone can begin working in the office, Kathleen spends two weeks, eight hours a day training them. They watch videos, read scripts, and learn the culture and mission of Right Now Air. They have a good base to work from once their initial training stages are complete.

The training doesn't end once someone begins work. Right now, Kathleen has three people in her office—a dispatcher, a CCR, and a data entry person. She meets with all three twice a week. On Wednesdays, Kathleen meets with each individual for 30 minutes. "I'll sit with each of them and watch how they do their job and suggest ways they can improve. A lot of time we will talk one-on-one; they can ask questions and get clarification," she said.

Every Thursday, the office group then has their team meeting. "I have a lot of new people right now, so we're doing quite a bit of role playing and overcoming objections," Kathleen continued. "Everyone on our staff knows how to fulfill every job. That way they can always help out if we find ourselves shorthanded." SGI

Everyone at the meeting gets the one-page Promise and Commitment Sheet, and each individual is asked to write down what he or she agrees to accomplish by the next meeting. They must also write down how much time they will devote toward achieving that promise or commitment.

"We call them promises, rather than goals, because when you promise something you're putting your integrity on the line. That's bigger than any goal," Scott

continued. "Plus, how can we expect our people to be accountable, if we don't keep one another accountable."

Accountability has been emphasized among their office and field staff, too. Not long ago, Larry and Scott posted a Lead Conversion board in their training room for their technicians to see. Almost instantly, they went from converting only one in every 30 to 50 calls into a replacement lead to one in four.

Having the boards for everyone to see added some peer pressure and got the

technicians to do their jobs more effectively, but they're not the only reason for the turnaround. "We started setting our goals higher, too. We made it clearer what we wanted, and we started training a little harder," Larry said. "Our technicians have responded. One said that he loved the board, and that now he finally feels like he knows what's expected of him."

Always Be Willing to Learn

Ideas like Promise and Commitment Sheets have come about because of Larry and Scott's pledge to continue to learn. They consistently attend Expos and classes. And that training has proceeded to supply them with insight on how to improve.

"We've made almost every Expo since joining, and we've attended multiple training classes. We do it because today your company and life look one way. If you go to the same training a year later, your company and you might be in a different situation. And the same message looks completely different. You get something new out of the same class," Scott said.

Larry and Scott also remain active in Profit Platoons for the same reason. They feel like there is always a chance to learn something from someone else. That something may prove valuable. For example, last year they visited Tim Gallagher of Gallagher's Heating & Air in Los Molinos, California.

"Tim's business has more than tripled since the last time we visited him five years ago. We asked him how he did it, and he said he started the *Phoenix Program* around that first time we came to his office. So, when we came back, Larry and I looked at each other and said there are no if's, and's, or but's. We're going to follow through and do it. We are in a different stage of our business today. We don't have fires we're putting out every day. We need more guidance and knowledge," Scott said.

"We're on month 13 of the *Phoenix Program* right now," he continued. "It's been a huge difference. If nothing else, for four or five hours a month, it forces you to look at your business rather than working in it. That's been really beneficial."

Promote Balance at Your Workplace

Right Now Air looks much different today than when Larry and Scott first merged. Most faces are new. The uneasiness and uncertainty has long since left. What remains is a group of 16 dedicated, hard working people excited about the business' future.

"We have people that absolutely love what they do. We have experienced employees that have never had the opportunities they have now. They know it, and they appreciate it," Scott stated proudly. "They see this business as their own. It's not just Larry's and mine."

Even the mission statement and core values, which hang on the Right Now Air office walls, were conceived by the entire team. They sat down at a meeting, and Larry and Scott asked everyone what they wanted included.

One of the ten things in their core values is everyone has to have fun. "It's a business, but everyone agreed that there's no reason why we can't have fun, too. So, Larry and I will send the girls in the office to a spa for a massage, or we'll do something special for our techs," Scott added. "Larry and I are the types who could shut our doors, work all day, and be happy campers. That's not what's important to them, so we make the extra effort to always be interacting and having fun with everyone."

Larry and Scott also make it a point to promote balance within the company. They appreciate that work is not the main focus in everyone's life. "We respect that. I don't think there are many air conditioning companies that promote balance. Our employees know how important we place family, because if there's a problem at home, it always comes here," Scott said. "So, if it means giving someone a three-day weekend or letting them slide out for an hour or two to watch their child's play, we'll work with them."

This extra attention and work to build a positive atmosphere around Right Now Air is helping. "I've worked at a lot of companies that their only goal was profits. They didn't care about us or the clients. At Right Now Air, we believe in the

Develop a Mentoring Program for Your Technicians

Having the absolute best technicians possible takes a great deal of training. Right Now Air invests a great deal of time, money, and effort into training every one of their field personnel.

It begins after the hiring process. They opt to hire young technicians who are right out of trade school. They then enter Right Now Air's mentoring program. "For six months, this new tech will ride with one of our good seasoned guys," co-owner Scott Meier said.

The seasoned technician gets an extra set of hands, which allows him to work quicker. Right Now Air absorbs all costs of training this new technician. In return, the seasoned technician is expected to get the trainee ready to venture out on his own.

Training doesn't end after those six months. All technicians attend two training sessions every week. On Wednesdays, Scott will lead them in some sales training. On Thursdays, field manager Bob Martin will do technical, relationship, and other communication-oriented training.

"We'll spend as much as two hours on each session," Bob explained. "Practice makes perfect. It's easy to get out of the habit with certain things and not even realize it. With this much training, everyone should stay on the ball." SGI



The Right Now Air team shows their enthusiasm for service.

triple win, and that's how it's supposed to be done," Bob pointed out. "I think everyone in the company would agree with me that they love coming to work each day."

Kathleen, who began with Larry so many years ago, whole-heartedly agrees. She knows what kind of quality people employ her. "My ex-husband used to work at the business. One day, he slipped off the roof and badly hurt himself. He ended up being fine," Kathleen breathed with relief. "But I saw the compassion Larry has for people. From that day on, I knew that I would never work anywhere else. It's just awesome."

This open and positive atmosphere drives people to work harder, but not just for the company or their own personal gain. They work harder for each other and for Larry and Scott. They know what kind of special place Right Now Air is. That's why the company has been successful and why they have big goals for the future.

"This is going to be a five and a half mil-
Continued on Page 20

Internet Marketing Keeps Your Dollars Flexible

More of Right Now Air's new business is coming from their website, search engines, and Internet advertising. In fact, behind referrals, it's their second biggest lead source. Owners Larry Smith and Scott Meier love it.

Why? Using an Internet optimization company, they set their budget for how much they want to spend each month. The more they spend, the higher their website, www.rightnowair.com, will appear when someone uses a search engine to locate a heating and air conditioning company. During off peak seasons, they can spend less and still appear as one of the first few companies on the search.

When someone clicks on their website from the search engine page, the viewer will find a ghost phone number that the optimization company develops; this enhances Right Now Air's ability to track leads. Also, when that homeowner dials that number, their optimization company can record the phone call for training purposes. "You really see where your advertising dollars are going," Scott said.

Any time you load their site, a video of an actress playing the role of a homeowner will greet you. She reads a script that Larry and Scott developed that outlines the benefits of working with Right Now Air. Also on the site, you can find a commercial that yellowpages.com developed for them as part of a marketing package. It too further emphasizes the benefits of choosing their company.

"Using things like the Internet and website has allowed us to remain flexible with our advertising dollars, and it's proven to be effective," Larry said. "If we find something that doesn't work, it's easy to stop. When we find something that's really working, we can add more money to it." SGI



Show vs Substance

by Darrel Yashinsky

Big Box Retailers Continue to Attack Your Business—Here's How You Can Take Them Head On!

I'm always running around doing something. If it's not traveling or working to help you become more successful, I try to spend as much time as possible with my family. From time to time, I do find a little time to watch some television.

Even though I don't do much TV viewing, the last time I was able to catch an hour or so, I quickly noticed something continually reoccurring. What was it? It seemed like every other commercial was for one of the BIG BOX retailers. It was incredible!

Of course, every commercial touted their ability to help homeowners "do it themselves." Come in, buy the necessary materials, and talk with one of their professionals for some guidance. Just like that, their home improvement project would be done in a blink! The commercials never seem to mention that the instruction is coming from a 19-year old college kid that was hired for the summer (who

doesn't own a tool)... or there's a high likelihood that the "do it yourselfer" will mangle his home and need to call a professional to clean up his mess eventually. After all, who needs details anyway?

These commercials did remind me of a reality facing you, the professional contractor. In an increasingly tight market, you have to fight for every bit of business. This economic slowdown is hitting the Big Box retailers, too. Their sales are down. That's why they're dumping more into their marketing. They're trying to persuade people that they can do the work themselves... in other words, they don't need YOU!

With the Big Box retailers gunning for you, it means that you need to respond. You need to shield yourself from their big advertising budgets and ridiculous claims. How do you distinguish yourself? How do you make your services seem necessary? Easy...here's how...

You have two very big guns in your arsenal that can help deflect the advances

of the Big Box enemies. They are club memberships and private labeled brands. They also happen to be two things that SGI Canada members don't use or sell enough, yet they can help you lock in both new and current customers. Let me explain...

You've heard it before. Club memberships lock customers to you! Why? Think about it for a moment. If someone is paying you for a yearly inspection and for front-of-the-line service should an emergency occur, there's a strong likelihood that they'll use you for all of their plumbing, electrical, roofing, or heating/cooling needs. To them, it's a way of rationalizing their monthly payment to you. Plus, why would someone perform a home improvement project when they have a contractor on retainer who can do it?

Private label products are another fantastic tool because they are yet another way for you to differentiate yourself. In addition to your technicians presenting themselves as professionals in a home, they can have a list of exclusive products that no one else in town has access to. If your techs do a good job of communicating the benefits of these products, and get the homeowner excited, he or she will have no choice but to buy from you!

When struggling to capture every bit of business, club memberships and private labeled products are two big tools that can help. Ultimately, if you really want to deflect the advances of the Big Box retailers, your team needs to constantly be working on their communication skills. Have special training sessions on offering clubs, have special training sessions on explaining the benefits of your private labeled products. Unless you have a multi-million dollar marketing budget, this is how you can push the Big Box retailers away. Show homeowners that they and their commercials are all flash, and you're all substance. **SGI**

Darrel Yashinsky is President of SGI Canada



MAIN STORY *Continued from Page 17*

lion dollar company within the next three and a half years. I believe that to be very achievable," Larry confidently maintained. "We know where we're going and what we want to accomplish. We see it, we believe it, and we're going to get there."

When Right Now Air meets Larry and Scott's growth goal, a very large reason why will be thanks to the partnership of this still somewhat odd couple. Through all the ups and downs, the successes and failures, they've trusted and celebrated with one another. Never has ego gotten in the way. "Scott and I know we're not gods. We still straighten each other out, but we work very well together," Larry said. "That's been our recipe for what we've done."

As success has come their way, so have potential buyers. Scott and Larry have

been approached to sell the business. So far, they don't have the least bit of desire to do that. "We started this partnership and business with the right approach. We've always said that we're going to continue to do this until something tells us no. If something says no, then we'll quit and go separate ways," Scott shared. "Nothing has ever told us no."

Larry and Scott have taken a number of risks during their professional careers. Larry has trusted Scott to run his business when he needed help. The two took the ultimate plunge and agreed to merge companies, and they dropped their commercial work, even though it represented a great deal of their yearly revenue. Today, they're reaping the rewards of having the faith and trust in their seemingly unlikely partnership. And there's no reason for them to stop. As Scott said, "We're having too much fun to quit." **SGI**