

Episode 20 - Dustin Miller - Leaving the Family Business [00:11:37]

Intro: Welcome to Profiles In Prosperity with your host David Heimer.

David Heimer: Hi everybody, this is David Heimer. Welcome to Profiles In Prosperity. Dustin Miller is the president of Comfort Now in Visalia California. Dustin founded Comfort Now in 2011, and I'm happy to have him here with us because he has put up some amazing numbers. Since joining Service Nation Alliance a few years ago, sales have more than doubled, strong growth and profitability, they've grown from 8 to 20 people. The annual rebates from Roundtable rewards have grown 13 times and they've been named to the Inc. 5,000. So Dustin first, congratulations on all that strong growth, and welcome to Profiles In Prosperity. So let's start off, tell us how you got into this industry.

Dustin Miller: Well, growing up, my dad was an HVAC technician and I've rode with him growing up and it's always kind of been around my life.

David Heimer: You went to college, right? And did you always intend to get into this or did you start and do something else or why did you end up making that change?

Dustin Miller: Yes, when I went to school, I went to Fresno State and during school, I had a business doing computer repair. So after classes, I would go out to residential homes and businesses and work on their computers. When I graduated from Fresno State, it was in 2008 and it was just hard to get a good job back then. I went to a {cross-talk 01:28}.

David Heimer: Great time to graduate right in the middle of the great recession.

Dustin Miller: So, I majored in communications and I wanted to get a job in sales or medical devices or something like that, but nobody was really hiring and it didn't work

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out. So I decided to start a business with my dad and my uncle, and then that's how I got into the air conditioning field specifically.

David Heimer: So you're quite the entrepreneur. You had this business that you had done doing computer repair. Then when the jobs were just not there, you decide, well, I'll start another business with your dad and your uncles is that, right?

Dustin Miller: Yes, that's correct. I started the business initially with my dad when I was going to school and I was just having him do service calls and I was doing marketing and getting calls for him. And then we brought in my uncle to help us with our contractor's license and then it became a partnership with my dad and my uncle and I.

David Heimer: Okay. So three-way partnership then. And so that is not Comfort Now, right?

Dustin Miller: No.

David Heimer: So, that was the first business that you formed in Heating and Air Conditioning?

Dustin Miller: Yes. At the time it was called Air Repair.

David Heimer: Air Repair. Okay. So you work with them for a while and eventually, you became frustrated, left and started your own company. Tell us about that. What made you make that kind of change?

Dustin Miller: In 2010, all of my hopes and dreams that I thought that we were going to be able to accomplish, we just weren't getting there. I was paying myself a very low wage and I was trying to keep money in the business and spending money on marketing and developing different programs and I seemed like I was fighting them all

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the time with roadblocks. So I decided to dissolve the partnership in 2010 and then in 2011 is when I started Comfort Now.

David Heimer: So how much planning did you do before leaving or was it kind of a spur of the moment thing?

Dustin Miller: Well, I would say there's probably a year of planning where six months, I just wasn't happy and I was trying to figure out a different solution. And then when I saw the writing on the wall, I saw that nothing was going to change is when I started planning for an exit. So at the time, I didn't know I was going to start another company. I wanted to get hired on with another company and just start making money for my family. But eventually, I decided I'll just start an air conditioning company on my own and by myself. So, in 2010 is when I decided to exit. So six months into 2010, I got my contractor's license and then right at the end of 2010, I dissolved the partnership and my family knew that I was leaving and that I was starting another company by myself. But I was giving them all of my equity, all of my assets that I've developed in their company, I wasn't taking anything from them. And what I wanted them to be was like, you know what, this is your company anyways because it's mostly you, why don't you just take it and run with it. But I didn't get that. I got, okay, well, good luck. So this is all business {inaudible 04:33}.

David Heimer: So, and tell me if this is too personal. If you're uncomfortable talking about this, feel free and we'll just go around it. But I'm curious about this, in family businesses, there are all kinds of examples of difficulty between personalities and it just doesn't work out. And a lot of times these things just fester, they just go on and on for years and years and you didn't let that happen. In 2010 you decided this is just not going to work, nothing's going to change and you thought, well, what can I do? I guess

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I'll just go work somewhere else and then it is not. I'm going to start my own business and to do that, I need to just quit and dissolve the partnership. But I'm just going to turn it all over to them. I'm going to give them all my ownership rights and just make a clean break with them. So how did you explain that to them?

Dustin Miller: It was a little difficult, but I just told them that I wasn't happy working in the business, I wasn't happy with the amount of money that I was able to make and I thought that I could be more successful by myself.

David Heimer: So did you call a meeting or did you discuss it with them separately? How did this take place?

Dustin Miller: It was a very complicated partnership because it involves my great uncle, my grandmother's brother. But I talked to my grandparents, I talked to my brother, I talked to my family members about it. I got the support that way on what I should do and then it was just talking to my uncle that I was leaving and dissolving the partnership. And it was a hard conversation, but again, when I was talking to him, I was hoping that he would step down and let me take over. But he was pretty much like, good luck brother.

David Heimer: You were hoping that he would say to you, look, I tell you what, you just run the business and you can be in charge of it and you can make the decisions. Is that what you were hoping for?

Dustin Miller: Exactly, I was just hoping that I can just take it over and he would exit. I wasn't interested in still working with the family members. I wanted full and complete control. But I guess I thought I was entitled because I felt that I was doing most of the work.

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David Heimer: But he didn't see it that way and so he said good luck.

And you guys just parted ways then, do you have any lawyers involved or anything like that or did you write them any letter, any formal notification or was that it?

Dustin Miller: Yes, I just filed what is it? The partnership, the solution or something like that.

David Heimer: There's a legal document to his file.

Dustin Miller: Yes.

David Heimer: Alright. So then you went, started Comfort Now. And what did you do differently with Comfort Now? You've been wildly successful, but what is it that you can do that you couldn't do in the other business?

Dustin Miller: Well, in the other business, every time I wanted to do something or change a direction, I would have to negotiate it with everybody. And I didn't have the last say, it was a partnership and so everything for me seemed like a fight. Whether it be where we're going to spend our advertising dollars. How we're going to price our equipment. Who we're going to hire. Who we're going to fire. It just wasn't very fluid. There were too many chiefs, not enough Indians.

David Heimer: Alright, good. Do you employ any family members in Comfort Now?

Dustin Miller: It's actually kind of funny, at one point I had eight family members employed.

David Heimer: Did they come over from the other company or were they just came in separately?

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Dustin Miller: So none of the people that I've employed came over from the other company. But my uncle's son still works for me. But he's never worked for him.

David Heimer: And what happened to the old company?

Dustin Miller: They are still around when I left, they had the five service trucks now they have one.

David Heimer: Wow. So it's still in business, but not exactly thriving.

Dustin Miller: Right.

David Heimer: And how many service trucks do you have now?

Dustin Miller: 14.

David Heimer: So, totally surpassed them, way to go.

Dustin Miller: Like good luck bro.

David Heimer: Famous last words, right? Well, I wanted to shift gears a little bit. You've had all this growth you're doing well. What keeps you up at night? What do you worry about in your business?

Dustin Miller: Man, yes. So I worry about -

David Heimer: Is this going to be a long list?

Dustin Miller: Yes, I worry about continuing, growing, always getting better. Whenever I get a bad review that's just like the worst thing that could happen to me. I had to take

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my email address off of their reviews because it would literally kill my evening or my weekend whenever somebody put a negative review on the internet.

David Heimer: But I've seen your reviews, you don't get many of them. You have overwhelmingly great reviews. But in spite of that one bad review, and it would just sink you.

Dustin Miller: Oh my goodness, like severe depression. Yes, I guess I don't handle negative criticism well.

David Heimer: Well, it's up to you to drive your business. What else do you worry about?

Dustin Miller: It's just important to me. I worry about the slow times, about staying cash positive during the shoulder seasons. California is kind of difficult right now. The Eastern states have these record lows and we're over here with 60-degree weather.

David Heimer: Curse with beautiful weather, huh?

Dustin Miller: Yes, exactly. I worry about how I'm going to build our management team. How we're going to build our service technicians. How we're going to continually grow and get better.

David Heimer: Okay. Good stuff. Well you're worrying about the right things I would say. So when you look back, this is great, this is phenomenal growth, you've done an amazing job. What are you most proud of?

Dustin Miller: My family, my wife's and my boy, and the life I'm able to provide for them.

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David Heimer: It feels good, doesn't it?

Dustin Miller: Sure.

David Heimer: Good for you, Dustin Miller. Thank you so much for sharing all this information about your company with us. I think the formation of your company is a fascinating story. I think it's inspirational for those that are frustrated and stymied in their family business and it's a little tough to talk about family stuff in a podcast. So thank you so much for doing that.

Dustin Miller: Hey, no problem. Thank you, David.

David Heimer: Alright. I look forward to talking to you again in the near future.

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