

Episode 34 - The Wisdom Of Larry Taylor [00:19:07]

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

David Heimer: Hi everybody, welcome to Profiles In Prosperity, this is David Heimer. I'm always delighted for a chance to talk with Larry Taylor. I always think of him as Mr. Everything in our industry. And here's why I say that, he built this fabulous company here, right in Fort Worth, Texas. He successfully sold it a few years ago. He's a former chairman of ACCA. He was named to the HVAC Hall of Fame. He was on the board of directors at Service Nation. He was a business coach for Service Nation Alliance, he's an advisory board mentor for Service Nation Alliance, and he was president of the Better Business Bureau, in Fort Worth. And there's probably even a lot more than that, Larry is just too modest to tell me. So Larry Taylor, welcome to Profiles In Prosperity. Before we get into the more meatier stuff, how did you end up in our industry?

Larry Taylor: Well, that's a long short and story I guess. I was raised on a farm up in Oklahoma and I knew I didn't want to farm. So I wanted to get into something that wasn't weather-related. So I had the opportunity to go to Oklahoma State University in Stillwater, Oklahoma, and study air conditioning, so I did that. So we were able to enter an emerging market in 1965, when I started, and it was really starting to come online. It was a lot of retrofitting to existing heating systems, but not a lot of new installations yet, having them put in homes. So, in the early part of it, I worked on a lot of stuff that most of the audience has never heard of, so it's great to have a lot of scar T-shirts to go along with.

David Heimer: You possess a wealth of knowledge, born from trying new things, experimenting, and refining, and one time you developed a really unique recruiting plan. Could you tell us about that?

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Larry Taylor: Yeah David, as you know, most of the people probably listening to this know that, who met me, I've always got a story to go with about anything I got. But starting back in the earlier days, I just wasn't satisfied with our call center. But I was doing what everybody else was doing, I thought, well, I guess that's the way to do it. Well, one of the things I wanted to always do, was to have someone doing 100% happy calls, I was calling them at that point, or happy checks on the phone. And we will try to have our internal call center do it and they get busy with incoming calls, they wouldn't do it, etc. That always hung in the back of my mind. So finally, about 2009 I just got fed up with it and said, do some or forget about it. So we hired a lady to come in and do nothing but outbound calling, on every service call, and service invoice, and the job that we did. She had no responsibility for answering any incoming phone calls, etc.

So she would grab our invoices when they came in, look through them, if someone had a lead or a lead came in she would talk to the people and set all that up, and so that got us a lot of business. It's surprising how much business that was out there that we could do with existing customers that we didn't have to resale, that would just trust us and say, yeah, come on out and do this stuff. And our problem was that our technicians were putting it on the invoice but not talking to the consumers about it. So getting someone else to call back, and open up a conversation, and get this thing going was just exciting. Plus, you sold enormous amounts of service agreements each week, just by talking to these people and offering it to the customers when the technicians didn't. And I know that they're re-contractor, we were no different and probably no different today. We still try to get our {inaudible 03:29} to sales service agreements. Some companies have great luck with it, some cannot get a technician to do it. So, it's all in the systems and the processes, in my mind of getting that setup. So, that's sort of how we got started

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with doing these happy checks.

As we were doing this, later on, we decided that, you know, we got some great people in the call center, but they're just great hello people. Make a good impression on the first call, and will set up a call for the customer for what they want. But that's all they were doing, they weren't pushing service agreements because they thought that was a technician's responsibility. And as I mentioned about the technicians, they weren't necessarily wild about it. So as we needed some more people, we decided we wanted to change our profile of who we were hiring in the call center, and get more of an aggressive passive, instead of the passive type person in the program. So we started looking around, and the lady that we had hired knew of an organization called Synacor in Fort Worth. And I'm sure there are some of these types of facilities in other areas.

That was substance abuse rehabilitation, a re-education type of organization. And when she mentioned them, it flashed back to 20, 30 years before, when I was still at TDIndustries, running that operation in Fort Worth, that we did some volunteer work for the Synacor organization, put in some equipment and helped them get up and get going. And I sort of forgot about them and didn't really realize all they did. But she brought that back to the table. So we got back to Synacor and found out what their program was. They had bright young people and bright older people in the programs that were in the system for different reasons. They've been sent to rehabilitation, recovery, if you will, by courts. Some of them just checked in on their own. Some of them, their families kind of pushed them into it, and those types of things. But, one of the things we found out when we got to visit with Synacor, was, they went in there for the first six weeks or so, and we're just in training and, we building their minds went to classes every day, at a regular schedule, just like they would at work like doing things.

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But then after six weeks, they could go out into the marketplace with employers and work. Each of them had to have an accountability partner, so we always had to get two people to do it. So we met the rep with Synacor, visited the facility, laid out what we were trying to do, and they would then select people they thought would meet the profile for us to convert our call center into more of an aggressive call center. Asking more questions up front, selling more maintenance agreements, selling more sales leads, and those types of things. So that's kind of how we got started.

So we visited with the people, we brought them on board, we started training them and using them, we could not even buy them lunch. It was such a tight control program, that we couldn't give them a lot of stuff at work unless it was something we offer to all the employees in the lunchroom or whatever. They would deliver them to the office every morning at 8:00. They would pick them up sharply at 5:00. We could not pick them up. We couldn't take them back to the Synacor Facility or anything like that. So we started using these folks, bringing them onboard, training them. Some of them took to the water like a duck, some of them didn't. But the neat thing was, that if one of them failed or just wasn't working out, Synacor would happily replace them and bring them in.

We paid Synacor directly whatever prevailing wage was for this service, and then Synacor would pay the person in the program part of that money. And they had to establish bank accounts, and be able to do budgets, and buy a car, and get out of debt, and some of those types of things, before they could graduate the program. So they use that money, then Synacor uses the balance of it to keep the facility going and support them. After I believe it was six months of being in the program, then they could go out on their own, once they could prove those stats. Go out on their own, get their own

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apartment, and become full-time employees without Synacor's supervision. So, over the years we probably picked up half a dozen or more permanent employees that stayed with us for several years. Matter of fact, one of them is still with the organization that I sold to six years ago. So that individual has probably been with my company or the new company for about eight years now. And just to see the difference that we could make in their lives, and their attitudes, and to watch them grow and develop, was just super rewarding for us.

The downside of this was, David, that it was very disheartening on the team members that got close to them at work every day. We had cases where one of them went home at night and overdose that night, you know, just fell back into the program and overdosed. We had others that would start missing days of work and come back and just couldn't make it, they relapse into their program. So it's wonderful and it was a great feeling to do that, but also, it was a sad feeling when the ugliness of life, I guess, stuck his head up and created some of those problems. But it was a great learning experience for all of us. We did it until the day I sold the company at the end of 2012, the new purchaser just stopped the program. He didn't continue using the program, but I would highly recommend that to anyone that, you know, have one of these types of facilities in their market area.

David Heimer: Yeah, I mean weighing the good and the bad of it, you'd still do it again, right?

Larry Taylor: Absolutely! You know, it's the right thing to do. We have so many young people David, that, for whatever reason, I'm not trying to be judgmental here. But whatever reason, getting started on the wrong path, they go down this ugly trail, and

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there's a lot of people out there wanting to help, willing to help, they just don't know-how. And I think they have, in our case, we did a lot of community stuff, we're in all the community organizations, or domain boards, they're sending us helpers. The Samaritan House, the Cancer Research Centers, the Cancer Recovery Center, anything we could pretty much do to help these organizations, Catholic Charities. And so, you know, you're trying to do things in the community and we tend to overlook this, you know, and it was less than half a dozen blocks from us. I knew right where the building was when I heard the name, and, you know, quite frankly, I was a little bit embarrassed or frustrated, whatever you want to say, because, wow, you know, we could have been doing this years before. We just didn't open our eyes and our hearts enough to go do it.

David Heimer: What a fabulous story, and what a great impact you had on those people's lives, and on the community. That's awesome stuff. I appreciate you sharing that with us and I know that other people will take heart and hopefully follow up and do something similar.

Larry Taylor: There are so many things in the community, and you know, a lot of the same contractors that I know, that are just doing some marvelous things for their communities, and supporting different things. And I just would encourage them to, again, broaden one more circle out, from their circle of influence, and see what's out there. There are some good people out there that just need a little bit of someone to love them.

David Heimer: Yep, exactly. I'd like to switch gears briefly, one time I was on a Service Nation Alliance advisory board call with you, you were the mentor on it. And somebody talked about introducing add-on sales products to techs, and you started talking about

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how to do that, what your experience was, what worked, and what didn't work. And I remember thinking of that time, everybody should hear this, this is great. And it wasn't long, but it's what I said earlier, you've got this great experience and it was terrific. I'm sure there are people on the call for taking notes, and it saves them hours, days, weeks of time, just by listening to you. So I was wondering, could you step us through that again?

Larry Taylor: You know, I think we were just like every other contractor out there, you know, we had all these add-on things, and at least we had put it into a format of just a picture on the left side, we use an Excel, spreadsheet or something. The picture on the left side, and description in the middle, and a price out there for the service agreement, and non-service agreement customers. And just had it in a book, you know, we're encouraging our technicians to offer these things out there. And for us marketing people or for management, we sit there and we dream of this stuff all day. We think of it at night or whatever and we come up with all these great things as a great benefit to the consumer, and it's easy for us to remember that we do all these things. But being an old technician, you have to remember, they got so many other things going on, that getting them to remember the inventory of stuff that we have for add-on sales and upgrades, is overwhelming. And so, anytime someone gets overwhelmed with something that's not mandatory, they're not going to do it. They're just not going to offer it.

So, we'd create programs at different times of the year, for selling items to be sold, x dollars for these add-ons, you'll get a free Apple iPad or something, you know. That didn't work either, you know, or worked with limited success. So, I just sort of got to thinking about it, I thought, we're confusing the technician's minds. They were confusing the customers with all these things. So, I decided just to cut back and only offer one

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thing. The technicians have one thing, that we really want them to focus on upgrading, and do it per month to see what would happen. And then when we started out again, we had a promotion of an iPad. When they first came out, they were hot, I guess they're still pretty hot. But anyway, on that, and I think it was surge protectors {inaudible 12:30} and that was something that the technicians could buy into, because they knew the damage that spikes did to compressors, and contactors competing and all that.

So it was easy for them, they felt comfortable with it. It's easy for them to put on, easy to do, they got a spiff off of it. We took everything else off the plate. They still have this chart in there, of accessories, but they didn't have to try to sell any of them, all they had to try to do was sell that one. We didn't do a single promotion, it was anyone that sold - I can't remember maybe it was 20 of these surge protectors in a month, got this computer or whatever it was. And I think we had probably six or eight technicians at that time. We gave away, I think four of the iPads. So that just kind of brought it home to me that, are we overloading the technicians with these accessory sales and those types of items? So we started becoming more selective on what was sold, based upon what the technicians are comfortable with, what we were comfortable with selling, and what's the season, what's the time of the year, and moving forward with it.

And we'll wait until we get the technicians comfortable with doing these things because it was things they believed in. Then in our weekly service meetings, we talked about different accessories during our monthly award and recognition meeting, we talked about whatever the {inaudible 13:49} was for that month. And you'll be forced to be there once. So then, we just moved you to the internal call center that I told you that we had rework, they were pushing them, the technicians were pushing them. So the whole company was pushing the same item. And everyone was in the Sani program to obtain

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funds off of it, which is always nice. And the whole add-on program just continues to grow, and average tickets went up.

David Heimer: So if I got this right, you introduced one product in a month. You gave them plenty of education about that product, made sure it was something that they could buy into believe in, understand the benefits of it, and then you share that with the whole company? So it wasn't just the technicians that we're talking about. The telesales team where we were talking about it also. And then there were incentives, and not just financial and product incentives, but also you're recognizing them, hey, you know, last month Larry did four of these, how great that was or eight of them or whatever it is. So they got that nice, warm, and fuzzy as well, some recognition for that. Did I get all that right?

Larry Taylor: Pretty much on target there. Yeah. The only thing I want to add is that, a lot of people do weekly, do all their checks weekly, and they show up on their check, and they got this extra money, they're not sure what they did to get it. Sometimes it depends on how you get your system set up. But I always felt that, you know, going back to this recognition part, I wanted to give these out at our monthly awards and recognition program. I wanted the service manager to stand up with a piece of paper, and call this individual up to the front of the room, and shake his hand and present him or her with their incentives. And we did that with any incentives we gave, whether it was leads incentives, maintenance agreement incentives. Any kind of incentives that we were doing, the manager would come up and do it or the key person in that department. And so the same thing with technicians, generating sales leads. At the end of the month, the salesman that ran that call, had this little form that we would give him and he would stand up and present that to the technician or the installer that generated that lead.

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So it wasn't just management doing this thing, it was other people in the organization. In the call center, the ladies that got a lead and technician sold it or made something to them, or happy checks would result in happy comments. And each call center part would pass those out to a few people at the meeting. So we would have other people come up to the front and make these presentations. Several things that our company did was that internal people are not used to getting up in front of groups and talking. That helps them to get over that fear gradually, over a period of time. And it got to where it was fun, they were looking forward to doing it, and to give it to them, and doing all that. And then we also had the happy grams, and the sappy grams, we did have some of those too. And the team, who would also pass those out individually during the meeting.

So, just trying to get everyone involved in the company and buy into it. And then, again, their byproduct of that is more leads, more sales by technician, more sales by installers and all that type of things. So that just, in my mind, was part of what made us what we were, and how to call that internal marketing to our employees. And you may have heard me say it, I don't know if you remember it or not, but you heard me say lots of stuff so I'll give you a breakdown on that. You got your internal customers and you got your external customers and if you're not spending pretty much equal marketing on the internal customers that you're spending on your external customers, you are going to lose your internal customers. We call it employee turnover, I think, that's what the real world calls it. So, you know, you have to take care of your team members, and they'll take care of you.

David Heimer: Larry, this has been fabulous, what great information. As it usually goes

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with you, I have these things that I want to talk about and then you end up giving me a lot more, so this is great stuff. I know you do some consulting and coaching. If someone wanted to reach you, what would the best way be?

Larry Taylor: larryt@washitapartners.com.

David Heimer: Fantastic! Larry Taylor, thank you so much for talking with me today. I'd love to have you back sometime in the future if you're willing.

Larry Taylor: Well, I appreciate it. I'm always happy to visit with you in person or on the phone either one, David. And, you know, I'm happy to help the people that might be listening to this call grow. And they're welcome to contact me by email at any time and I'll be glad to respond. And I'm more than happy to help anybody that's trying to succeed in this industry because it's been such a great industry to me and my family and hopefully a lot of people that we have touched in our lives and in their lives to make it better for them. So thanks for letting me do this.

David Heimer: Thank you, great talking to you. Bye-bye.

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.

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