

Episode 6 - Multiple Location Strategy - Kathie Todd [00:09:03]

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

David Heimer: Hi, this is David Heimer, welcome to Profiles In Prosperity. Today, we're speaking with Kathie Todd. Kathie and her husband, Don, run an amazing company, Central Oregon Heating, and Cooling. They've engineered tremendous growth and picked up some really impressive awards along the way, including; The Ron Smith Trailblazer Award. And Kathie was named HVACR woman of the year. Very impressive. So welcome, Kathie.

Kathie Todd: Hi there, David, how are you doing today?

David Heimer: I'm well, thank you. You and Don have built a very impressive company and I could spend all day picking your brain, but I wanted to talk to you about your multiple location strategies, specifically. A lot of people have tried this, many people have failed, but you guys succeeded and then you did more of it. So I'd like to find out about that and find out what you learned. If I remember correctly, you started off in Redmond, and then eventually, you added three other locations. Is that right?

Kathie Todd: That's correct. The reasoning behind our decision to go that route was based on our marketing area. We happened to live in an area that has a lot of drive time and has a limited number of residents. So in order to grow and to serve everybody better, we decided that a storefront location in these other areas would help the people of that area and would help us grow stronger, faster.

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David Heimer: So what do you have? You call it a storefront location. What does that incorporate? What do you have in it?

Kathie Todd: Actually, we have a building with our name and everything on it as if it was a normal shop. It's a little bit smaller than a normal shop, but we have a full-time dispatch office person in there. So we have the ability for people to walk in and talk to us, see what we've got and where we're at. So we do have some displays in that storefront. We have some small quantities of various common parts that might be needed since they are distanced from our location. And then we also have a manager, he doubles as a service technician at this point. Sometimes he's a sales consultant as well. We do have a sales consultant assigned to each of those other locations full-time. And we recently added a second service, and an installer in each location, to better service those areas a little bit more efficiently.

David Heimer: Ok. So, the other back-office functions though, are handled out of your main location. Is that right? So the software, accounting, invoicing, any other thing, is done out of the central office, is that correct?

Kathie Todd: Correct, our actual main office is located in Redmond, in our area and everything is done out of this location. The corporate office functions, the inventory functions, the custom metal build that we do for some of our jobs, is done here as well. And because the distance for those other locations, at first was not that far away, it was more effective to use the people here to do anything that was needed for a job, from this point. We also use it for our training facility for all the other locations and of course, for other meetings and training that might happen as well. And then, all of the software is in

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real-time and the other locations remote in. So everything that happens is done in real-time. And if for some reason, another location has an issue, or if we have an issue, they can share with us, we can share with them and back each other up for dispatching or whatever else might be needed. So, it's as if they were here, only, they're not.

David Heimer: You know, I had never thought about that before, but what you just told me is you've got redundancy. If one location goes down, for some reason, you've got an automatic backup in another area. And you know, for that matter if something, God forbid, should happen like a fire or something like that. You've got redundancy already built up. You could, if you had to, just move to one other location. Might be a little bit crowded, but at least you've got a point of presence. Right?

Kathie Todd: Exactly and because originally, when we started, we didn't look, like to see what was going to happen down the road. We didn't realize that. But as it turns out, it's in a very excellent position to do exactly that. We have several smaller towns around us within a 30-mile radius. So we're able to reach all of them from this location and that same thing applies to two of our remote locations. One of our remote locations, however, is four hours away. So it's kind of a standalone company on its own. However, it too, all of its software and everything about that work through this office as well. So it's as if we're all together in the same place.

David Heimer: Right. So, you had to spot at one point in time about dispatching centrally, and you decided to dispatch locally instead. Why did you make that choice?

Kathie Todd: We have, maybe a little bit different viewpoint on that than someone that

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might be in a more Metro-type area. Our people, they're smaller town people, each town in our area has its own distinct personality. So these people want to know they have somebody local that understands them when they talk to them or work with them. So, that dispatcher being onsite, in their area, just lends that phase to it, where they're more comfortable because even though we could handle it from here, they're comfortable because they're up there, wherever that might be. And that has a better association for those different locations.

David Heimer: Sure. That makes a lot of sense. That's very interesting and smart. So, you guys have been doing this successfully, for quite a while now. If you were advising other people to do this, What would you tell them?

Kathie Todd: One thing, I guess one of the most important things to consider, is the market area. And how you see this benefiting both you and the area you might want to have one of these locations, located in. If it's one large Metro area, it might be, because it's too hard to get through traffic, or there's a bigger crowd on one side and then another or whatever. In our case, it's because we knew that we already had a presence in these other locations. And we knew that we would be operating, profitably, from the get-go. Because we had already been doing enough of it to understand that we would lessen our costs and increase our revenues, by making that change. Because we had been tracking that, for a couple of years, before we made that decision. I would also suggest that the training or whoever is going to be at the other locations, and the recruiting for those positions, make sure that they have people that understand the relationship between the locations, and why it's being handled this way. Because they often will have to field situations, why they don't want to hear, they have to go to

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Redmond to get something, or they have to go to some other place. They want to know you're taking care of it at home.

And so whoever goes in those positions, has to understand how to handle being a satellite office, as opposed to being in the main function, or facility, or whatever. So they have to be a little bit independent thinking, they have to be able to be quick about resolving issues that maybe they wouldn't be facing if they were in our location, but because they're a satellite spot, they're looking at it a little differently. So the personalities that are recruited have to truly be, even beyond your normal customer service, they have to understand the business as well so that they can serve those customers better. And sometimes, finding the people to fill those satellite positions is the challenge, can definitely be a challenge. That's all I'm saying.

David Heimer: That's a good point, I understand that.

Kathie Todd: I'm sorry.

David Heimer: No, listen, that's really good stuff. I mean, that's not stuff that, if I were sitting around just thinking about this, that I would have come up with. That's why it's so perfect to talk to someone like you. So, thanks so much for talking with me today. I think that this is going to be great, and will I get to see you at the Service World Expo, in Las Vegas?

Kathie Todd: Absolutely! We wouldn't miss it. You'll have four of us there this time.

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David Heimer: Fabulous. I always love to see your contingent. Alright, great talking to you. Thanks so much for doing this.

Kathie Todd: Thank you, David.