

Episode 60 - Joe Cunningham - Growing in the Time of COVID **[00:17:17]**

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, this is David Heimer, welcome to Profiles In Prosperity. Today, I'm talking with the great Joe Cunningham. Now a lot of you already know Joe Cunningham. He's been in the industry for quite a while. He's well-known as being a great sales guy, a great sales trainer, a great trainer of technicians, and he has been a consultant, comes to people's offices and helps them run their business. But what a lot of people don't know about Joe is that he also runs his own air conditioning company in Houston, Texas. So today we're going to talk with Joe and find out what he's doing in his business in these days of COVID. So please welcome Joe Cunningham to the podcast, and we're going to jump right into the conversation with Joe. Well, Joe, how is everything going on in your life? Has the COVID-19 situation affected you, and your life, and your business?

Joe Cunningham: Well, yeah, David, it really has affected our life. When this first came on, it was kind of strong at the San Diego Conference. I didn't pay much attention to it, because I thought it was just a bunch of hype like they said on the news. Then when I was headed home, I realized I was in an almost empty airplane arriving at almost empty airports, where they're normally very busy. Then as I got back and listened to the news, because I came back to my business in Houston, I heard that things were getting worse and worse and worse. Then the self-quarantine thing happened. And that has affected so many people's lives, and affected my life in the business. So it started to slow things down, and then we kind of had to figure out a way around it. Personally, it affected my life, some of the people that know me, know that my wife's dad died from the COVID 19 thing. So that really affected her, and it was especially hard on her, because due to all

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

the restrictions between Texas and Louisiana, I haven't even been able to be home since we got back from San Diego. So, you know, personally and business-wise, there's been some challenges caused by it.

David Heimer: What are you doing to react to all of this?

Joe Cunningham: Well, you know, the common practice that a lot of people have, is just hope it goes away and then hide your head in the sand. But with so many people at the business that I had to make sure I had a paycheck every week, I knew I couldn't do that. And so many of the programs were so hippy, that I just decided that we had to do something to get past all of this. And as you know, I work with a lot of different companies all over the US, and they were calling me with things that were happening and asking me for ways to help them solve the problems so they could keep their businesses going too. And as the calls came in from the people, and they were asking me to help, because I have an air conditioning company here in Houston, I was noticing some of the things that were happening at the same time that were similar to theirs.

They were saying that people that would normally let them in their house, because of a lot of the news reports, wouldn't let them in their house and they needed a way to talk to the people and get re-engaged. So we kind of came up with two or three different programs that were staged along, to help my friends in the business, and also to help me here because I had to keep this business going as well. And really, the first thing that we did when we found out everybody had to stay home, and they were a little reluctant to let people in. And one of the biggest issues they had, where they were unsure of whether they were going to get their paychecks, was to put a program into place where we could help people save money if they needed things done on their

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

system. We started out small, we did it in the Nextdoor app, which is kind of a little local app here.

And we put an ad in, and I had some of our friends put the ad in, that said, if your air conditioner breaks down, you know, it could be very stressful on your family. Normally you get to go work and do different things. But now you're stuck in the house with the kids. And summertime is coming and it's tough to be in there with the kids and if the air conditioner breaks down it's even worse. So, if you have a problem with your air conditioning system, give us a call. We might be able to fix your air conditioner over the phone, for free. And what happened was, people started calling us. And since I didn't have expert technicians here on the phone, I just made two guidebooks for two ladies here at the office to answer the phone. So they could walk them through a series of fairly easy steps, to find out if it was something simple, like dead batteries in the thermostat, or maybe the thermostat wasn't turned to cooling or whatever.

So we started getting calls in there. And then one day when I was driving to work, one of the popular talk show hosts in the morning asked the audience, you know, what are you doing in your business to help people that are going through this crisis? So I grabbed the phone and I called in as quickly as I could. And at the end, I was the second person on the phone. Luckily enough, usually people call in and can't get through. But I talked to him and I said, look, if your air conditioner breaks down, we'll give you free advice and help you fix it. If we can't fix it over the phone, we know it's going to be your house. But it's worth a shot to see if we can do it for free if we can save you some money. Well, that message went out and got quite a few calls from it. We actually sold two or three systems from it.

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

So it was pretty amazing what happened. And then as things progressed, you know, David, every day, it seemed like the news got worse and worse. And as it got worse and worse, you know, some of my other clients were calling in and I was noticing some drop-off in the calls. But what they really noticed and what I started to notice was cancellations. You know, that the people that we would set up for a tune-up, well, they'd get up {inaudible 05:14} and watch the news. And they say, these guys come in and tune my air conditioner up, no, I don't know him, other than he started working on an air conditioner. And the people on TV said, don't let anybody in your house. So I knew we had to do something different.

So what I did was, revitalized a marketing program we've used for years during the flu season, we called it a Whole House Flu Shot. And basically, what we do is, we fog the entire duct system with an antiviral, and an antibacterial spray, and kill everything in there. Because in the flu season, when your kids come home, if they have the flu, they're sitting in there and sneezing, air handlers running, it picks up those droplets and it spreads it throughout the house, that's why everybody gets sick. So we would go in there and kill it, and then when we get done, it really worked out to be a super program, because when we get done, we tell the customer we've taken care of killing everything in the ducts. But we actually have a product that would make sure that they never have to spray it again, because it will kill all the viruses every time the air conditioner comes on, or they like to learn a little bit more about it. And they always say yes, and resulting in that, a huge number of products like Remy halos, and better filtration, and things like that.

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

So we just converted it over. We used to charge 2.99 for the flu shot, and I decided, you know what, we're just going to give it away. If somebody wants us to come and do a tune-up or service call, we're going to give them a \$200.99 antiviral duct treat. And we did, and we put it out there and the phone started ringing again and put it out just on Constant Contact. So that process worked well enough, that first morning it was out, and I sent it out at 11:30 at night on Constant Contact. This lady, who was our customer, and we'd been to her house like three days before, sent me an email and she was mad. She wanted to know why she didn't get her ducts sanitized while we were at her house three days ago. And I had to send her the letter back and show her the date on it and everything else. But I went over there and sanitized the ducts anyway. So, you know, we're winning customers for life, by doing that. And it's such a tremendous value, and it's so top of mind awareness in the people's minds, that the value of what we're giving them seems to overcome their fear of letting people in the house.

And of course, we were doing the shoe covers, and the masks, and the gloves, and all of those things. And then even that started to slow down, and some more of my clients came up with some things that were happening with them. And they asked me if he could do something even beyond that, and we did. And now we have a three-level service call, based on personal protection. And it's also really a virtual service call, limited or no contact service call, where the customer gets to pick out what kind of call they want. Whether they don't want to see anyone at all, whether they will let us in certain parts of the house, whatever it is they want us to do, we do. And we sanitize their ducts for free, still. But we have a protocol that we put all our texts through, where they are required to put a rubber mat down in front of the door when they get there, and spray the rubber mat. They can only put their shoe covers on when they're standing on the mat. Then they re-sanitize those, they wear rubber gloves, they sanitize their hands,

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

or they put the gloves on, they wear a mask, they do all kinds of things to protect these customers.

And we make sure that the customer sees us do it, so they're more comfortable. And then we actually have, what we call a level 3 call. When we put the guy in a set of one-piece Tyvek, complete coveralls. So he's totally sanitized. And we do all of our communication, if the customer wants it on the telephone, and taking pictures, and with FaceTime. So we can show our customers exactly what's wrong and communicate with these customers. And before we go out, we actually send them a checklist of things, so they can tell us where the equipment is. And the customers are involved physically by doing stuff for us but are not involved in this really close proximity. So we're able to handle the social distancing. And we've been able to put that process in our service. Then we extended it into retail sales because the same thing was happening.

And since I'm here at my company, I was running some retail sales and I could see the reluctance. So we're now actually doing virtual sales calls as well. And we've kind of perfected that, to the point where my closing ratio on the limited and no contact sales calls is virtually the same as when I'm going into the house. It's changed what I've had to do. It's changed the processes we have to take. It's changed what I'm getting my customers to do for me. And I never thought we would have been able to do it because it took several calls to try and perfect this thing. But we now have a virtual sales call as well, we're going, and we never physically see the customer, except by telephone or except on a zoom, or a call like that. And you're selling 10, 15, \$20,000 systems. And I never thought we would have done that before.

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

If anybody ever told me, you can successfully close 60 or 70% closing ratio, never see the customer, do it all by phone and make that happen. I would've told them they were the biggest liar in the world. But now with what we have to deal with, that's what we did. So, you know, the Corona virus has affected our business, but it only affected it negatively for short periods of time. Because as I watch my friends in the business, and I watch my clients in the business, and I watched this little business here, I realized that we couldn't just give up and go away. We had to get past this thing. And when they say we're essential workers, we really are. You know, I don't know what feedback you're getting from all the rest of the people, and all the rest of the companies. Has it been anything like that?

David Heimer: You know, we've been hearing from a number of people that their call volume is going really well. As you said, they're essential services, there's a lot of people that are staying at home. The plumbers are getting a lot of calls. The HVAC guys are kind of dependent, as usual, it's sort of weather dependent, in some markets it's slacking off. In other markets, their call volume is great. And those that have taken proactive action, just like you did with setting up virtual calls, and making sure that they were properly masked, and gowned, and reassured the customers that they were following social distancing protocols, etcetera. Those guys are doing pretty well for the most part.

But some people, in a time like this, there are people who immediately retreat, they start cutting back on their expenses, they start cutting back on marketing. Those guys are not doing very well. It's the guys that are proactive, that have stepped up their marketing, have stepped up their programs, and stepped up their community involvement. Those guys are doing okay. And you know, Joe, you've been around a few years like I have,

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

and you've seen the economy expand and contract a number of times. And in some ways, each time is a little bit different, but each time is sort of the same. And those people that took proactive action, decided that they were not going to participate in the recession, that they were going to grow. They did okay during the recession, they were really well-positioned to come out of it, and they grew a lot when they came out of it. So I think that hasn't changed, that will never change. It's exactly the same this time. Those that are taking good action right now are doing okay, they're doing well, some of them. And they will be really well positioned when this turns back around, which we all hope happens really fast. Right?

Joe Cunningham: Yeah. I can't wait for it to turn back around. And even the things that are happening now, with the reopening of the country, I think for essential service companies, like we are, it's going to open even more doors than it's ever been there before. Because the good part about the service business is the competition. Most of them run and hide, and just like you said, the guys that are bold enough to go out there and do something. And, you know, I hear from a lot of the contractors, well, you know, that's easy for them, they have a lot of marketing money. You don't have to have a lot of marketing money. You just have to have a unique offer, and you have to take a look around and see, how can I get my unique offer in front of the maximum number of people that I can? Because there's tremendous bargains out there.

There's a little Nextdoor app, we put an ad on there yesterday, and I mean, it was 200 bucks, it put me in front of 40,000 houses, within five miles of my place. And I would like to have all 40,000 of them from my customers. But if I got 40 of them, I would be ecstatic. If I got 10 of them for 200 bucks, I would be ecstatic. So, you know, the things you can do, the community involvement is unbelievable. The willingness to step up and

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

do some things that have really low entry prices for the contractor, but tremendous value for the customers. It's easy to do, you've just got to think a little bit and ask yourself, you know, how can I get in front of most people most of the time with a unique offer that nobody else can?

David Heimer: Yeah. How much money did it cost you to make that phone call to the local radio show?

Joe Cunningham: Oh probably, maybe like 3 cents. I don't know, but I mean, it was a home run. I sold one house, two systems and it was high-end systems. So it was like a \$28,000 sale, because I went there, and then last week, and this has been a couple of weeks ago. Last week I had a customer call and say, "I heard you on the Michael Berry Show and you talked about what you did for people to help them." He said, "and I wrote your number down, and now I need a new air conditioning system, and anybody that would do that for people, I want to do business with." And I sold him a new system over the phone.

David Heimer: Awesome.

Joe Cunningham: And then we did our virtual sales call, and it stands out, and it lasts a long time. You know, we've stepped up what we're doing now, when we go out, because Houston now has a law that everybody's got to wear a face mask, or they can fine you. So all of our customers, we're giving away two masks. I looked at some of the stuff Dave Squires was doing and it's a fantastic idea. And we have a guy here in town, that's making us masks, and we're giving everybody two masks, the local distilleries making a hand sanitizer again, so we buy it bulk and rebottle it. They get a four-ounce bottle of hand sanitizer, two masks, and a free duct spray. And I mean, it's a

Episode 60 - Joe Cunningham - Growing in the Time of COVID **[00:17:17]**

tremendous value to the customer, very low entry cost for us. And we're gathering up customers that used to be someone else's, and we'll keep them for life, as far as I can see. Because these people seem like they're going to be eternally grateful for everything we did. I'll quote Ken Goodrich, "it's simple, but it's not easy, you just have to think, and then you gotta do it." You know, If you're willing to step up and do it, you will greatly prosper during this time.

David Heimer: Well, Joe, I know that you also work with contractors. If someone wanted to get hold of you and ask you for some help, how would they be able to reach you?

Joe Cunningham: Well, pretty easy. All they have to do is either email me at Joe9152@verizon.net, V E R I Z O N.net. Or just give me a call on my cell phone, is probably the easiest way or send me a text at 318-286-7742. And you know, I've made it my goal in life to help all these contractors out there. And there's a lot of guys to call me, and I don't mind if more call me, because that's my goal, to help everybody prosper in this industry, and do better than they ever had before.

David Heimer: Yep, I know that, you've helped a lot of our members, and you've helped a lot of people in the industry. And this conversation right here, you're always keeping your eyes open, your ears open, you're attuned to what's going on, you've got great ideas. So I really appreciate it. So thanks for spending this time with me today.

Joe Cunningham: Well, thanks for having me, David.

Outro: We're always looking for good ideas and interviews for our podcasts. If you have an idea or maybe you think you should be interviewed, just shoot an email to profilesinprosperity@serviceroundtable.com. That's

Episode 60 - Joe Cunningham - Growing in the Time of COVID

[00:17:17]

profilesinprosperity@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.