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THE WEST'S LEADING MONTHLY NEWSMAGAZINE FOR THE AIR CONDITIONING, HEATING, REFRIGERATION, SHEET METAL AND VENTILATING INDUSTRIES

Seattle Area Firm Reveals Its Recipe for Success: Technology, Growth Are One at Universal Mechanical

It's no surprise that, with neighbors like Boeing, Microsoft and Starbucks Coffee, Seattle area companies of much lesser size occasionally feel a sense of inferiority. To say that a business is "growing" begs the question: by what standard?

Here in one of the world's most extraordinary markets, one firm that's confident of its growth and stature is Redmond, Wash.-based Universal Mechanical Service Company, Inc. Founded in 1986 by Duff Branin, proudly still skipper of the ship, Universal has grown to include 40 employees and expects to top \$10 million in sales this year.

Just a few years after they opened shop, Universal was recognized as one of the area's leading design-build mechanical contracting firms. Since 1989, the steadily growing, flat-rate company has won Tran's "commercial pacesetter" award and has been a single-line, residential Comfort Specialist dealer for the manufacturer since the program's beginning.

Today, about 70 percent of the firm's work is commercial, 15 percent is residential, and 15 percent is service-related. And, in direct correlation to this, Universal operates three divisions: commercial, residential and service.

Geographically, they're focused on the Seattle, Redmond, Kirkland and Bellevue areas.

Successfully straddling commercial and residential work in this marketplace illustrates the firm's versatility. The company was founded chiefly as a commercial firm, taking on demanding HVAC jobs such as clean room and computer facility applications. They also developed what has now become the core of the business: commercial office space and industrial work, typically for buildings in the 100,000 to 500,000 square foot range. Their work includes restaurants, warehouses and private schools.

As one of the region's key players in the commercial market, they eagerly take on VAV systems up to

130 tons, highly specialized computer room and clean room system design and installation, and tightly engineered, multi-zone hydronic systems.

Though, about 10 years ago, the firm saw real opportunity in the residential and service business and branched into them with immediate success. For all three divisions, most business is tied to referrals from existing customers. "We're very proud of the fact that, through customer surveys, we've learned that 97 percent of our customers are 100 percent satisfied with the service we provide," said Branin.

They're not just doing something right. They're hitting on all cylinders.

"One of things we've learned along the way is that we have to provide great—no, exceptional—service to our customers, or someone else will," said Branin. And it all begins at the first visit. "All of our projects start out with a computerized heat loss/heat gain calculation for accurate sizing of equipment. Some of our competitors don't do this. We also participate in pre-design meetings with developers and general contractors,



Residential cube trucks are outfitted with fabrication tools and standardized stock and inventory.



Matt Plughoff reviews brochures with customers, explaining the energy-saving features and benefits of new equipment.

another step that some firms prefer not to take."

Universal's management team includes Branin, owner of the firm, Keith Reich, vice president, and Matt Plughoff, residential general manager.

Shortly after he began operations as Universal Mechanical, Branin hired longtime friend Keith Reich who had worked with Branin in the past at another local HVAC firm. "I started out wearing the tool belt. In those days, we did time and material billing, but it wasn't too long before we saw the value of moving to flat rate pricing."

"We also pride ourselves as technology-savvy," added Reich. "Here in the Seattle area, you might say it's part of our heritage. We're quick to track new and emerging solutions to professional challenges."

I guess you could say we're 'early adapters' of professional technology," he continued. "We're usually quick to apply tools and techniques that improve efficiency and growth."

An example of how Universal has tethered its growth to emerging technology is their use of Opportunity Manager, an HVAC contracting management and sales presentation software package offered by Opportunity Interactive.

Universal was one of the first companies to implement Opportunity Manager when it was first released in 2000. And, as they integrated Opportunity Manager into their operations, managers used the software platform to help them shift the business' focus as they formed the residential retrofit division.

The new division grew rapidly, exceeding all expectations. "And it continues to grow today," said Plughoff. "We attribute a substantial part of that success to the capabilities of the Opportunity Manager software which we implemented at

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Universal Mechanical

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virtually all levels of the division's operations."

The residential division now has four retail sales professionals on staff, all of whom organize their work and interactions with customers around the Opportunity Manager platform. "Essentially, we've built our sales practices around the capabilities of the program," said Plughoff. Revealing of

"We now use Opportunity Interactive routinely," added Reich. "It's the use of these tools, which are entirely different from the ones that I wore in my tool belt when I was in the field, that has consistently boosted our growth in a market where other firms consistently fail or poke along with no real progress or success. And because these tools change and evolve, we need to adapt to them, and have grown in the process, applying the software's

of any product with just a few clicks of the mouse. Opportunity Manager also generates reports with job budgets.

"We especially appreciate that the software involves customers in building their own comfort system," added Reich. "It's also an invaluable tool for comfort consultants to educate customers about high efficiency products."

According to Branin, the software allows their sales pros to sit in

we've been able to build a team with a strong foundation based on a collection of shared talents."

The assessment tests are completed on-line and through email and use specific job description benchmarks to test how suitable a particular individual is for a specific job description. It's tailored precisely for HVAC firms with tests for 20 different positions, including billing clerk, field supervisor, installer, operations manager, receptionist, sales coordinator, service technician, and shop fabricator.

Recent statistics point to the importance of the testing:

A recent study by The Society for HR Management indicates that a bad hire can cost your company anywhere from \$20,000 for intermediate positions to \$300,000 for a sales position.

A study by DDI International concludes that recruiting costs amount to 46% of the first year's wages when taking into account management interview time, training time and investment, and lost productivity.

Another study source revealed that the predictability of future job performance increases dramatically (up to 27 percent) when assessments are used. General mental ability is the best single predictor of future job performance.

Just as it is within many industries, a key reason why organizations make staff management mistakes is that they don't have all the critical information. They don't assess applicant's core behaviors or interests, or appraise the applicant's fit with the job or the company culture.

"That's why we integrated assessment testing into our hiring process and have placed such importance on it," says Plughoff. "Under the test's 'general ability' section, a person's skill in dealing with ideas, to solve problems and to assimilate new information is measured. It's an indication of how well they think ahead to anticipate the effects of actions and decisions and how quickly they learn."

The test carefully collects data

and assesses a candidate's ability to work with numbers, words, shapes, people, data and tasks; even offering a behavioral examination of one's social desirability.

Universal was also energized earlier this year by another source of inspiration. The management team and several employees read *Raving Fans*, a non-industry book about creating a company vision focused on exceeding customer expectations.

"There's a quote in the book that has kept me up at night: 'Your customers are only satisfied because no one is doing better,'" said Plughoff. Yes, our industry has, for the most part, remained an 'install mentality' business. That means that a company gets a lead, may or may not follow up on it, may or may not order the job correctly, may or may not show up on time, may or may not have a professional installer on-site, may or may not do a quality audit after the job, and then may or may not treat the customer like a member of the family—like a valuable asset. It's a shame, really.

"The future of our success is tied to our ability to nurture and win lifelong customers," he concluded. "It's really a whole-business strategy. Everybody has to be in the game or else it all falls apart. Every customer needs exceptional treatment—from the initial phone call to the installation and then on to the follow-up processes. We're committed to this change. And we have the right people, and the right capabilities, in place to make it happen. We want our customers to be...raving fans."



UMS residential showroom.

their success: they've increased their activity in the Trane/Home Depot initiative and have since earned the award for the highest average Home Depot sales in the region, and are always near the top in closing ratios.

"Opportunity Manager permits our sales staff to close sales faster and create job packets with a single click," said Plughoff. "It's a computerized selling platform that streamlines the process of tracking prospects and closing sales, and takes the burden out of converting a sales call to an installation."

According to Reich, the software is designed to grow and evolve with the company, readily accommodating more sales personnel as they're added. "It's all-encompassing. We track all of our sales with it, with details on labor rates, budgets, component costs and anticipated time to do all facets of any given job.

capabilities to our hiring process, sales presentations, profitability coaching, and service and residential operations."

"This is the evolution of the industry," added Plughoff. "Amazingly, we're competing with firms who're doing proposals on triplicate pieces of paper. While our salespeople are developing an entire profile of the job, the consultant can say, 'Take a look at the laptop; here's what I'm designing for you.' It all comes together quickly with photos and data and costs built right in."

While Plughoff's sales pros complete a call, the program's "Instant Job Packet" offers the instruction sheet, pull sheet, load calculations, details and photos of the existing installation, and information for the installer on the homeowner's comfort concerns. HVAC managers can easily change the costs and margins

front of the customer while entering installation notes, scope of work information, and an itemized list of everything included in the job. "For the customer, it takes the mystery, and a lot of the intimidation, out of the sales process," he said. "From a manager's perspective, it allows me to review job budgets, labor budgets, and performance data."

"About two years ago I started using Opportunity Interactive's 'Personality Assessment Tests.' This is a real benefit for people that hire," added Plughoff. "It's objective, balanced and fair in profiling candidates. It lets me know about the candidate's traits that aren't on a resume. And, it gives me a chance to ask insightful follow-up questions. Without overstating the benefit of the profile, if a candidate falls into the benchmarks, then I typically know I have a good fit. As a result,