

# Plumbing Service 101



## Operations

Module 5 of 5

### LEARNING OBJECTIVES

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*At the end of this module, you will be able to:*

1. Define the organizational structure and key roles needed to create a successful plumbing operation.
2. Identify which resources from an existing HVACR company can be shared with a start-up plumbing service department.
3. List best practices for implementing effective plumbing sales.
4. Evaluate areas suitable for establishing planned plumbing maintenance programs.
5. Determine the most important elements of a sound corporate culture and operating philosophy for a new plumbing service business.
6. Identify ways of explaining and communicating the new plumbing services to employees, vendors, and customers.
7. List skills and training needs for developing an effective plumbing operation.
8. Implement policies, guidelines, and methods for ensuring effective communication throughout a plumbing operation.
9. Set exceptional service standards for plumbing service customers.



The Mechanical Service Contractors of America (MSCA) produced this module on plumbing “Operations.” It is the last of five (5) Plumbing Service 101 modules, which highlight key requirements to establish and grow a viable plumbing services division. Module 5 covers many factors that must be considered, such as determining which existing HVACR service department resources might be utilized in an effective organizational structure with key personnel roles defined. Moreover, information is presented on establishing an operating philosophy which integrates plumbing service into the existing company’s corporate culture, including effectively communicating plumbing service details to employees, vendors, and customers.



### IMPORTANT

The MSCA helps contractors with management and marketing skills, training and educational programs, and government and labor relations.

The modules are designed to include fundamental industry concepts, presented in a thorough, real-world way that will help you to better understand the plumbing service business.

#### MSCA PLUMBING SERVICE 101 MODULES

- |  |                                      |
|--|--------------------------------------|
| #1 Plumbing Service Business Basics                  | #4 Financial Tools and Profitability |
| #2 Markets for Plumbing Services                     | #5 Operations                        |
| #3 Finding and Developing Great Plumbing Technicians |                                      |



### IMPORTANT

Good players inspire themselves - Great players inspire others.

## INTRODUCTION

Most business owners know the key to success is identifying, developing, and empowering the right people. One of the greatest mistakes made in starting a new plumbing division is having someone running the business who: 1) doesn’t understand the plumbing market very well; 2) is not focused on what makes a plumbing department run correctly; and 3) is only focused on selling and maintaining HVACR service contracts and the pull-through revenue that comes with it. A good plumbing service department, in its core, needs a champion for this type of work.

## PLUMBING SERVICE ROLES

Plumbing service for the most part is a reactionary, just-in-time, emergency business. That means the department must be structured correctly to support those requirements. The mindset, roles, and responsibilities are similar to, but

somewhat different than, those required for HVACR service. Sample key roles and the corresponding responsibilities recommended to develop departmental structure are outlined below.

The **Plumbing Champion** (i.e. your lead plumber, plumbing service manager, or industry expert) is the most important person in the plumbing division. This person is the foremost plumbing expert in the company; a technical expert that understands the true nature of the work. This person's responsibilities are as follows:

- Recruit and hire technically competent journeymen.
- Provide technical assistance to the dispatcher, salespeople, and field technicians.
- Determine nature of service requests and allocate necessary resources accordingly.
- Provide support to ongoing field operations.
- Provide journeyman and helper training.
- Manage tools, equipment, and warehouse resources.
- Respond to customers' questions and issues.



Plumbing Champion.

The **Service Dispatcher/Coordinator** is a must for scheduling and dispatching work. This person must be a well-trained dispatcher who also maintains the backflow testing program and handles customer questions and issues.

**Salespersons/Estimators** with plumbing-specific knowledge are needed to develop business opportunities and quote service work.

**Journeyman Plumbers, Apprentices/Trainees, and Helpers** all possessing different skill levels are needed as appropriate for efficient management of resources. Obviously, a plumbing business goes nowhere without these talented individuals. For example, project plumbers will be needed for work lasting more than a few hours. Emergency drain plumbers are needed for backups, and backflow-certified plumbers are required for backflows. There can be overlap at the beginning, but to schedule projects, a good practice is to separate the plumbers into smaller, specialized teams. Teams may include the following:

- **Projects or Retrofits Team:** This could include anything from handling a water-main break, fixing a leaking pipe, dealing with grease interceptors, or replacement of sump pumps. These plumbers possess both service and construction skills. They work incredibly hard and need to be very creative.
- **Emergency Service Team:** Most emergency work involves a backed-up drain. However, if the job appears to be more extensive, and after an initial

emergency is stabilized, the emergency plumber generally calls the service manager and the subsequent additional work becomes a task for a Projects or Retrofits Team. A salesperson often gets involved at this point.

- **Backflows Team:** Although most of the plumbers should be backflow certified, it is best to have one or two experts. If properly managed, these experts can perform backflow certifications full time. If your company provides a planned maintenance agreement after every backflow, it will often lead to full-time work for your team.

The **Billing Clerk/Work Order Detailer** will make sure invoices are sent out quickly and accurately, maintaining a consistent cash flow.

No matter how you configure the organizational structure or which employees you co-opt from the existing HVACR company, the bottom line is that someone must take complete charge and responsibility for the plumbing service operation. That is why having a “plumbing champion” is so important. If your plumbing champion is the plumbing service manager, having him or her report to the same general manager as HVACR should avoid conflicts. However, it cannot be over-emphasized that someone must be held directly accountable for results.

## **24-HOUR ANSWERING SERVICE**

Another critical aspect, and often one of the hardest to fulfill, is a 24-hour answering service. Like HVACR, a successful plumbing service business must be available 24 hours a day, 365 days a year. If not already in place for your HVACR business, there must be a system for responding to customers needing service at any time. The system must include having an on-call schedule with primary and backup technicians readily available. The service manager should also be in the loop for all after-hours calls to assist in coordinating communication between customers and technicians, so that the technicians can focus on their jobs.



## **SHARING COMPANY RESOURCES**

Adding a plumbing service division to an existing HVACR operation seems to be a logical and attainable next step because many resources can be used by both groups, such as the 24-hour answering service. There are other areas for

achieving economies of scale, which include sharing accounting, dispatching, and billing. To attain maximum efficiency, correct supervision and training must be applied.

Too often, plumbing responsibilities are added to the dispatcher's and billing clerk's job descriptions with little thought about the transition. Notably, not everything easily translates from HVACR to plumbing. Rarely will current HVACR dispatchers and billing clerks be able to efficiently handle their new responsibilities without additional plumbing-specific training.

Before saddling dispatchers and/or billing clerks with the additional responsibilities, be sure to create a plan for developing the required new skill set. Before combining HVACR and plumbing tasks, there should be specific training in the plumbing nuances, vocabulary, and trade-specific requirements of the job. Remember, adding plumbing may seem like speaking a different language to some HVACR-only employees.



Don't overload existing HVACR positions with too many new plumbing tasks.

## SHARING CUSTOMERS

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Your current customer list is a very important resource for the new plumbing division. With open communication regarding goals, objectives, and company vision, the customer list is an exceptional opportunity to accelerate business development. Existing customers should be a primary focus area, especially during initial startup because they can help jump-start business.

## USING SALESPeOPLE TO GROW THE BUSINESS

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Everyone knows that without sales, there is no business. Getting the right people to sell services is a challenge for both HVACR and plumbing. However, for new plumbing providers, the question is whether to use existing HVACR salespeople or hire new ones with plumbing-specific expertise. Arguments can be made about both options.

Using Existing HVACR Sales Staff — It's reasonable to expect crossover with existing HVACR sales staff because they already have the proper contacts, know the facilities, understand the sales process, and are experienced in gathering information and writing proposals as well as closing deals. But all this expertise still doesn't guarantee successful crossover will occur.



The greater challenge for HVACR salespeople is their limited knowledge of plumbing. Most often, they don't possess an understanding of typical problems faced by plumbing customers, or what it takes to stay engaged with plumbing customers in ways that can drive sales and repeat business. However, with the proper training, effective crossover can be achieved. Training should cover the basics of plumbing, such as the following:

- Different piping configurations
- Material types
- Plumbing-specific tools
- Typical work scope
- Pricing strategies



**! IMPORTANT**  
HVACR salespeople can at least open the door for plumbing PM agreements or other work.

All too often, the importance of proper training is glossed over or downplayed. It should be comprehensive as well as emphasize the most likely areas of crossover, which often are

domestic hot-water systems and domestic water-booster systems. Moreover, existing HVACR salespeople should be trained to open doors for plumbing PM agreements and other work.

Using Plumbing-Specific Salespersons — The best scenario for success is hiring someone with a strong background in plumbing. There are several potential candidate options, including the following:

- A good place to start when searching for the right plumbing salesperson is construction project managers or polished building engineers from outside the company. They often have had experience dealing with proposals, contracts, and customer service, so they can hit the ground running and make a significant initial impact.
- Many plumbing salespeople come from the field. They are usually tradespeople who have many years of experience, have shown they have the relevant technical knowledge, and want to work as a salesperson/estimator. Because they have had mostly technical training, additional in-office training is needed, which should include writing proposals, using a spreadsheet to create an estimate, and presenting themselves to a customer. It may take more time to accomplish this transition, but in the long term, results can be very good.

If good candidates cannot be found within the industry, and you must rely on existing HVACR salespersons, then it becomes even more important to have a dedicated plumbing service manager for technical support on sales calls, when necessary.

## PLUMBING SALES PROCESS

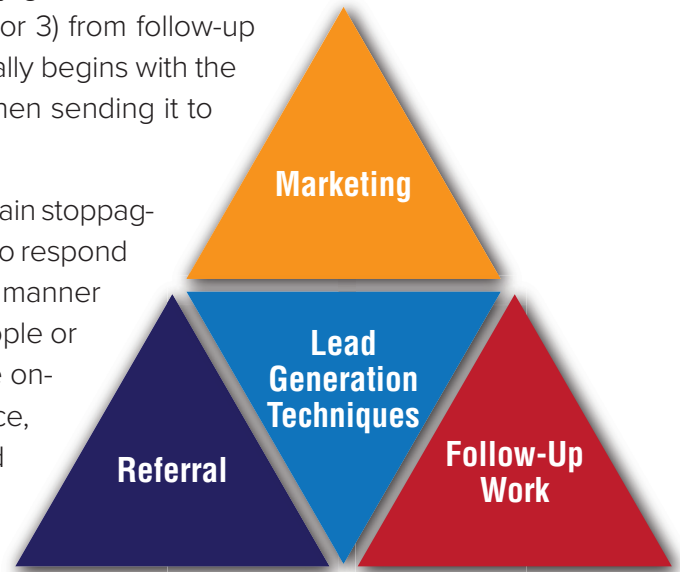
The plumbing sales process is slightly different than the one used in the HVACR world. Plumbing work tends to be more reactive with less reliance on planned maintenance. With plumbing, a lead is typically generated in one of three ways: 1) through marketing efforts, 2) by referral, or 3) from follow-up work due to an existing service event. The process usually begins with the estimator visiting the site, generating a proposal, and then sending it to the customer.

Many jobs are in response to an emergency, such as drain stoppages, leaking water heaters, and piping repairs. Being able to respond to emergency time-and-material calls in an expedient manner will help drive additional business, especially if salespeople or technicians have been trained and have ability to quote on-site. Because of the reactionary nature of plumbing service, it's much easier to win the job if it can be quoted and completed while the technician is on-site rather than having a customer wait to get their proposal. Clients on the plumbing side are much more open to time and materials pricing because they understand you cannot quote what you cannot see.

When plumbing emergencies occur, most people don't want to take time to research different companies. They simply want their problem taken care of as quickly as possible. They look for trusted sources to help resolve their situation. Getting on approved vendor lists is one way of making the job easier for customers while ensuring additional business for the plumbing provider.

Being and staying "top of mind" with customers is extremely important since most plumbing calls are reactive. Whether it is an occasional email or taking them to lunch, the goal is to make sure customers think of your company first when their go-to plumber fails to show up or drops the ball. Make sure that your customers are aware that your company can also handle all their plumbing service needs in addition to HVACR.

The most important part of the sales process is actually showing up and performing when provided the opportunity. While this seems like common sense, it is unbelievable how much work can be picked up by just doing the job properly when the competition does not.



Become a top-of-mind plumbing provider.

## ADDING PLANNED MAINTENANCE (PM)

Plumbing planned maintenance programs are not as common as HVACR programs, but they can and should be sold to reduce a possible reliance on plumbing emergencies as a sole source of revenue. A PM base can help smooth out the peaks and valleys that are inherent in emergency service revenue as well as keep plumbers busy when there are no trouble calls. Various opportunities for plumbing PM are outlined in the table below.

### OPPORTUNITIES FOR PLANNED MAINTENANCE AGREEMENTS

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|---|---|
| <ul style="list-style-type: none"><li>• Annual backflow testing and certification</li><li>• Water heater flushing/maintenance</li><li>• Tankless water heater maintenance, which is typically required annually or even more frequently depending on water quality</li><li>• Domestic water mixing valve cleaning and maintenance</li></ul> | <ul style="list-style-type: none"><li>• Sewer and grease line hydro-jetting and cleaning at appropriate frequencies for the specific facility</li><li>• Grease trap cleaning on suitable schedule</li><li>• Sump pump maintenance</li><li>• Visual walk-throughs to make sure there are no obvious leaks/issues</li></ul> |
|---|---|

Planned plumbing maintenance can be many different things, from hydro-jetting a single mainline once a year to testing all the fixtures in a building on a quarterly basis. Plumbing maintenance seems to have a less frequent service interval, such as annually and semi-annually. This differs from HVACR where maintenance intervals are typically quarterly and sometimes monthly depending on the needs.

When initiating planned maintenance services, backflow PM contracts are a prime kick-starter. Backflow PM contracts are very simple. If a backflow PM contract is sent after the current year's test, customers will typically just sign and send back the contract for continuing maintenance. Sample backflow and planned maintenance service agreements are included in the Appendix.

## SALES AND PROFITABILITY

Compensating plumbing salespeople usually starts with a higher base salary and lower incentive commission/bonus percentage. This is because plumbing service does not have the same high profit generation typically associated with most HVACR sales. Also, plumbing service has less recurring PM revenue than HVACR.



Plumbing service profits are usually generated on these four items:

1. Time
2. Materials used
3. Rental of tools and equipment, such as snake machines and hydro-jets
4. Subcontractors

When selling plumbing, the approach is not so much to sell a maintenance agreement and rely on pull-throughs for the revenue stream, but to create reliance on solving customer problems when or before it becomes a real issue. For instance, when replacing on-site fire hydrants, a markup is not only on the material, but also on the excavation subcontractor and, of course, the labor. When selling such a job, the estimator would have to know how long it would take to do the job, be able to account for everything that may go wrong, and then price the material, equipment, and subcontractor with suitable markup. There is no hiding labor in equipment markups.



## MANAGING THE SALES TEAM

There are a multitude of ways to structure a sales team. One approach is to have a dedicated sales leader who manages the sales process. When leads are generated, they are entered into the Customer Relationship Management (CRM) system and subsequently assigned to a salesperson. These leads are monitored to make sure proposals are delivered to the client within 48 hours. The customer service representative then follows up on the proposals and enters the results in the CRM. A typical sales goal might be \$100,000 at 35% gross margin in billed quoted sales a month per salesperson/estimator.

Another way of handling sales is the more traditional approach of having a single sales manager to manage both the HVACR and plumbing salespeople. Each salesperson has an annual plan and the numbers are tracked monthly.

A third way of handling sales and incentive compensation is to use the team premise, which means the plumbing salespeople are commissioned as a team, based on their total team sales.



## **PLUMBING AND PAPERWORK**

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One major area of similarity between HVACR and plumbing is paperwork processing. Most of the HVACR automation software and tablets used in the field to record time and transfer information can be modified to accommodate a plumbing service operation. While the paperwork is basically the same, it is the terminology that differs. Be aware that there are some additional specialized forms required for drain cleaning waivers, sewer camera inspection reports, and backflow certification.

## **SMALL OR LARGE STARTUP**

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As with any start-up business, the level of resources available will dictate a company's ability to bring on new products and services. A small startup would begin with a journeyman in a truck serving existing HVACR customers and helping the existing HVACR business in its operations while building the plumbing service division. At this point, there would be no need for a plumbing service manager.

As momentum develops, the small operation could then move to two (2) plumbers and one (1) plumbing supervisor/salesperson. Once the plumbing group is operating, the salesperson should no longer supervise and that role converts to just selling. A plumbing supervisor or service manager should take over as more plumbers are hired.

A larger company with more resources would be able to hire an expert, invest in the resources and tools to provide more service offerings, and push the sales side more aggressively. Moreover, a larger company may also want to consider purchasing an ongoing plumbing service operation and incorporating it into their existing business.

## **ESTABLISHING AN HVACR AND PLUMBING CULTURE**

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Creating a well-functioning company culture which includes HVACR and plumbing core values makes the difference between a productive, synergistic team and one that languishes in problems of its own making. The importance of ensuring that the company's core values are well defined and designed is necessary to succeed in plumbing services and cannot be overstated.



A company culture is best defined as the “philosophy, values, and behaviors that together constitute the unique style and policies of a company.” The foundation of every company’s culture is its mission statement and core values. The mission statement communicates a vision of exactly what the company wants to accomplish. A well-written mission statement is clear, inspiring, and compelling.

The core values, on the other hand, are what support the vision and shape the culture; they reflect what the company truly values. They are the underpinnings that provide a framework from which all decisions are made and guide all company activity. Core values are the essence of the company’s identity and are reflected in everything the company does and every interaction it has with customers. The bottom line: Your culture is your brand.

Companies must strictly follow their mission and uphold their core values from the top leadership down to the lowest-level employee. Otherwise, an established mission statement and list of core values become meaningless words on paper.



## IMPORTANT

Mission Statement Example: Tesla—“...to accelerate the world’s transition to sustainable energy.”



## IMPORTANT

Your culture is your brand.

## CORE VALUES TO CONSIDER FOR PLUMBING

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An existing HVACR business’s core values will not likely change significantly with the addition of a plumbing services group. However, in terms of plumbing-specific core values, there are three values essential to the plumbing business that you may find slightly different from HVACR.

1. Customer handling
2. Job cleanliness
3. Service availability

Customer Handling — Treatment of customers is probably already part of your company’s mission and core values. Like HVACR customers, the plumbing customer must also be elevated to the highest level, making their needs of paramount importance. Plumbing problems often are of a critical nature, where the customer’s needs cannot be ignored, minimized, or delayed until more convenient. If the service you are delivering does not provide a good customer experience that consistently exceeds expectations, it is difficult to build and sustain a profitable plumbing business.

Job Cleanliness — Plumbing can be uniquely dirty work and cleanliness can be a key differentiator between your company and competitors. Service plumbers must be ready to not only perform the work, but also maintain and restore cleanliness to the areas affected by the work.



Cleanliness can be a key differentiator.

Moreover, some areas which are serviced by plumbers may be highly visible public places. Nothing will create customer loyalty more quickly than resolving the problem and restoring the facility back to the same or better working condition and state of cleanliness that existed before the plumbing problem occurred.

Service Availability — The importance of availability cannot be overstated. It is true that HVACR problems can disrupt a customer's normal business operations. However, when a plumbing emergency occurs, the property, assets, and most importantly the health of the business and its consumers may suffer increasing risks and losses until issues are resolved. Consequently, there may be even higher expectations for plumbing service availability. Everyone associated with the plumbing operation must always be ready to serve those businesses on an urgent basis, as

most plumbing problems can't wait. If you cannot react quickly enough, clients will most likely seek other ways to solve their problems. Having the ability to immediately respond will put you far above your competitors.

Once the mission and company core values have been fully refined to incorporate plumbing considerations, it's time to reintroduce them to everyone in the company. Continually reinforce the mission and core values by making them a regular part of periodic communications, meetings, and celebrations. Be sure any subcontractors and vendor partners are also informed about, and live up to, your core values as these groups play an important part in your success.

On a final note, when adding a new plumbing operation into your existing corporate culture, it is critical that plumbing be embraced as an equally important part of your business. Plumbing technicians should be welcomed on an even playing field with all the other HVACR technicians.

Regrettably, some companies unwittingly appear to value or show favoritism to one division over another. This type of conflict works against a cohesive and productive team environment. Avoid building silos that treat one group of technicians as more valuable than another when introducing plumbing into your existing business operation.

## **COMMUNICATING THE NEW SERVICE INTERNALLY**

After getting all policies, procedures, staff, tools, and licensing in place, you will be eager to officially launch your new plumbing services business. Before doing so, make sure everything about the new operation and market

**!** **IMPORTANT**

Plumbing technicians should be welcomed on an even playing field with all the other HVACR technicians.

introduction is well communicated to all employees. Have an “all hands” meeting to introduce the plumbing strategy, goals, and new service offerings. Make sure everyone in the company is well informed and understands that the company is serious about entering this business as a fully licensed and professional plumbing service company ready to take on customer plumbing problems.

Share available marketing brochures and materials with employees. Providing a marketing matrix or summary sheet that lists and explains all the new plumbing services will enhance understanding. Schedule follow-up training to ensure everyone is fully aware and able to effectively communicate the new plumbing services. Hold regularly scheduled information sessions that include training on plumbing-specific topics. This enhances the understanding of what differentiates plumbing from HVACR and can help to sell services as part of your total offering. The list below includes ideas for topics of interest.

- Plumbing safety practices
- Backflow testing and rebuilding
- Water leak/reporting (restoration)
- All specialized plumbing equipment
- Sewer-jetting/drain-cleaning methods
- Tankless heater troubleshooting
- Plumbing codes
- Customer service
- Plumbing market strategy and targets
- Plumbing PM contracts (what is covered and what is not)
- Confined spaces
- Pumps
- Hydro-jetting equipment
- Basic electricity
- Hot water tank troubleshooting
- Water heater controls
- Excavation and trench safety
- Sales for technicians
- Plumbing versus HVACR profitability
- Inspection camera and underground pipe location technologies

The meetings can also set the stage for helping the HVACR and plumbing groups start building a good working relationship as a combined team. It is important that both groups are invested in each other’s success. Plumbers can be cross-trained to assist the HVACR technicians, depending on the local union regulations. Often HVACR technicians can help the plumbers with electrical or other issues. Working together will help solidify working relationships and create more synergy for the combined business functions.



## IMPORTANT

Create a comprehensive service experience for your customers through internal communications that stress seamless HVACR and plumbing operations.



Salespeople can also play a role in developing internal relationships. Encourage plumbing salespeople to be proactive in reaching out to the HVACR people. Remind them to take HVACR sales personnel to lunch and periodically visit jobsites.

## **REACHING OUT TO THE COMMUNITY**

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As with the HVACR business side, relationship building with clients and the community is very important when developing business in the new plumbing area. Relationship building can take place through client lunches, meetings, and business-related social activities. Other opportunities include charity walks, blood drives, backpack donations, and food drives. These pursuits should be encouraged as beneficial endeavors for employees to raise awareness of the company's presence and dedication to its community and customers.



Community relationships are important.

Education both inside and outside the company will help establish the significance of the new plumbing business and how important employees are to its success.

## **USING INTERNAL RESOURCES TO BUILD BUSINESS**

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Potentially every employee in your company can become a proponent of plumbing service, which greatly enhances success. Some suggestions to instill “plumbing advocacy” are outlined below.

- HVACR salespeople have many opportunities to promote plumbing services. They can talk about plumbing when making sales calls, meeting clients, or getting together with vendors.
- Plumbing salespeople should be present at every new HVACR start-up meeting. Moreover, a plumbing salesperson should attend client lunches when appropriate.
- HVACR technicians play an integral role in letting customers know about the new plumbing services. While on customer calls (jobsites), they can be on the lookout for plumbing opportunities and then alert their existing PM customers to potential plumbing problems. Additionally, as follow-up when plumbing technician time permits and the customer agrees, a quick inspection of facilities at no cost may be performed. This can identify specific

requirements for maintenance or future services. A dedicated customer-relationship person can then prepare proposals and communicate with the customers regarding their issues.

- Dispatchers can emphasize the existence of the new plumbing service. They can serve as plumbing ambassadors by simply asking “Is this plumbing or HVACR?” whenever customers call for service. That phrase alone sends an important message to customers regarding a company’s depth of service offerings.

In addition, there are ways to communicate the availability of plumbing services through established communication lines and advertisements.

- Emails, invoices, company vehicles, and marketing pieces should all contain announcements and information about plumbing service.
- Personal emails to existing HVACR customers should be sent introducing the new plumbing division. The emails should include the plumbing salesperson’s name and contact information.

The bottom line is that it is important to have every resource working to create both internal and external buzz regarding the new service.

## **DIFFERENT APPROACHES TO DEVELOPING BUSINESS**

There are very distinct differences between the residential and commercial markets. These key differences require different approaches to effectively reach customers. Generally, the difference between residential and commercial marketing are as follows:

- Residential marketing usually relies on traditional mass reach methods like radio, television, billboards, print advertising, and social media.
- Commercial marketing targets a focused number of much higher revenue customers.

Since commercial customers are the primary target, you are probably already familiar with the required marketing techniques. Essentially, marketing plumbing services is no different than marketing HVACR for commercial markets. Some key points are outlined below.

- Sales to commercial customers are usually driven by direct salesperson contact with high-potential leads, including repeat or referral business. Methods for new lead development include networking, trade organizations, and face-to-face calling efforts.
- A good general strategy for both HVACR and plumbing is to become known as the industry expert in those respective fields. This can be done in today’s



### **IMPORTANT**

Is this plumbing or HVACR?



On-site Plumbing 101.

internet-enabled environment by establishing a visible presence on social media blogs and forums. Don't overlook conventional radio and newspaper "ask the expert" forums, which can also be useful.

- Offering clients and potential customers monthly in-house education classes can provide a valuable service to those audiences and help develop company image along with potential new business. If it's not feasible for clients to come to your location, training can be offered on-site at their facility or at a more convenient central location. Having a schedule readily accessible to the markets you have targeted will help develop an image that you truly are the experts in those fields.

The strategies above will help develop a customer viewpoint that your company is the go-to company when difficult or routine service needs arise.

## **MAINTAINING ONGOING COMMUNICATION POLICIES**

Once infrastructure is in place, ongoing communication throughout the organization and with customers is critical to maintaining momentum. Some possible methods for ensuring good ongoing communications are the following:

- Use a paperless ticket and billing system for accuracy and efficiency.
- Employ technologies such as Office 365/Sharepoint/Teams, or CRM systems like Salesforce, to record and convey relevant information to technicians and service teams.
- Have weekly management team meetings to ensure operations stay customer-focused.
- Have regular meetings to train people within the company on procedures, available information, and new technology.
- Maintain all tools and equipment regularly used in the plumbing operation to ensure they are available when a service emergency arises. Don't let inadequate resources become an obstacle to communicating with or servicing the customer.



Explore using an existing HVACR paperless ticket/billing system or modifying it to accommodate plumbing services.

## ACHIEVING EXCEPTIONAL CUSTOMER SATISFACTION LEVELS

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In this day and age where examples of poor customer service are all around, there's really no mystery as to why providing exceptional service to plumbing customers is important. It is as simple as "do the right thing." The challenge is to make sure everyone in the company understands what the "right thing" is when it comes to plumbing business. Listed below are rudimentary keys to plumbing success.

- Response time is probably the most important factor in providing exceptional service, so respond as quickly as possible to every service call. Plumbing clients expect much quicker response time because of the urgent nature and progressive harm that can result from unresolved plumbing issues.
- Build a reliable reputation that allows customers to stay focused on running their respective businesses while you are counted on to take care of their plumbing problems. This goes a long way in earning trust, which ultimately leads to long-term loyalty. Always be aware that a customer's plumbing problem is often a critical part of their operation, affecting the health and well-being of their customers and end users.
- Restore a customer's facility to proper operation with a zero-tolerance approach to cleaning. The job is not done until the customer's workplace is restored back to an acceptable level of cleanliness.
- Resolve underlying systemic issues with a permanent solution to the customer's problems. Don't look for the quickest answer as anything more than an emergency fix.
- Follow up with customers to make sure they are getting what they expected and are happy with the services. Every service call should include a follow-up satisfaction survey with performance ranking and comments and/or follow-up contact from a salesperson, service manager, or customer service representative when appropriate. Any outstanding issues should be resolved promptly.
- Hire the right people with the ability and motivation to effectively service customers. Above all other factors, exceptional customer service starts with hiring exceptional people.

Interestingly, plumbing work receives more than twice the level of positive comments from clients compared to HVACR. When you achieve success on the plumbing side, you can really be rewarded with positive customer responses. Unfortunately, the opposite will also hold true with service failures. As with the HVACR business, "under-promise and over-deliver" is a good practice to follow to ensure that customers' expectations are always met and exceeded.





## UNIQUE PLUMBING CHARACTERISTICS AND SKILLS

When hiring, in addition to licensing, certifications, and experience, look carefully for the following criteria with each candidate:

- Availability and willingness to work at all hours. A plumbing service business will not succeed unless it has people with the ability and motivation to show up on a job at almost any hour and stay until problems are resolved. Plumber work hours are much more unpredictable due to the urgent emergency nature of much plumbing work.
- Willingness to embrace flexible work schedules. Plumbing technicians may tend to work more overtime than their HVACR counterparts, so they need to be flexible with their work schedules.
- Self-starter mentality. Seek out people who are able to work with very limited supervision.
- Technical skills in the following areas:
  - Knowledge of plumbing systems and tools, such as drain-cleaning machines, inspection cameras, pipe-locating tools, and hydro-jetting machines
  - Electrical troubleshooting related to today's increasingly more complex and automated plumbing systems
  - Safety practices, most specifically in excavation trenching because many plumbing jobs occur below ground
  - Ability to diagnose and find the most effective solution to problems



### IMPORTANT

Self-starters take ownership of situations and undertake tasks on their own initiative.

## BEST PRACTICES

In all industries, when starting a new business line or looking at how a current operation is performing, everyone wants to implement the best practices.

Plumbing practitioners are no different.

Outlined below are best practices that generally apply to all business, including those specific to plumbing operations.

- Be very deliberate in your hiring and management practices. Hire only the right people who enjoy their work and are available to meet the time demands of customers. Maintain a culture by hiring, reviewing, and terminating based on the company's core values.
- Make sure you have an expert resource to guide the plumbing department and the business. Hire a supervisor/salesperson that is extremely competent and knows how to build your business.





- Price your services properly. Charge for any special equipment such as drain-cleaning machines, cameras, jets, location tools, and anything else that has a high cost.
- Build your customer base, not by being the cheapest, but by being the most effective, available, and professional company in the market.

The suggestions above are a good starting point, but your past experiences in the HVACR business will probably expand this list dramatically.

## ADVICE FROM EXPERTS

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As this series of modules comes to an end, we are including advice from experts. These are people with long experience running successful companies that provide plumbing services.

Here are some time-tested words of wisdom that can send you on an upward trajectory.

- Take every service call. You never know what future business opportunities it may help to develop.
- If you already have an established HVACR service, you don't necessarily have to start an expansion into plumbing by offering all plumbing services. Start with just backflow testing or drain cleaning for existing customers and then move into more services as you expand capabilities and add more qualified plumbing technicians.
- Hire a supervisor/salesperson that is extremely competent and knows how to protect you.

**ASK THE EXPERTS**

## SUMMARY

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Like every successful enterprise, adding a plumbing service division to your existing company is not something that will just happen. It is nearly impossible to start a plumbing service business without the proper resources to build and manage it efficiently and profitably. To be successful, a new plumbing service division should pay close attention to developing the right organizational structure at the start and expanding that structure as needed to support continued growth.

This is the last module in the Plumbing Service 101 series. The series is intended to cover key factors you should consider in establishing your own plumbing business. If you reviewed all the modules and considered the topics discussed, chances are you have already made a decision and are moving



### IMPORTANT

Use best practices to produce superior results.

forward with plans to add plumbing services to your existing HVACR business. Before you embark, please be mindful of the advice from experts already running their own plumbing service businesses: take every service call, start small, and employ a plumbing expert.

In addition, sample letters and agreements have been provided in the Appendix to offer guidance in establishing formal PM arrangements with customers. They include the following:

Item 1 — Backflow Agreement Letter

Item 2 — Full-Coverage Backflow Agreement

Item 3 — Extended Backflow Service Letter

Item 4 — Drain & Sewer Planned Maintenance Service Agreement

By following the information in this and prior modules, we hope you will enjoy great success in your efforts to build what will become a profitable addition and complement to your existing business.

## ITEM 1 — BACKFLOW AGREEMENT LETTER

*Company Letterhead*

*(Date)*

Attn: *(Client Name)*

Address 1

Address 2

City, State Zip code

**Re: Backflow Agreement for *(location address, city, state, zip code)***

Dear *(Client Name)*:

Thank you for your confidence in our ability to service your backflow needs. We would like to take this opportunity to introduce you to our Premium Service program for your backflow device(s).

Enclosed you will find a copy of the proposal covering your backflow device(s) under our new program. All scheduling, testing, cleaning, repairs/rebuilds, parts and labor, certification, and documentation will be included for one fixed price.

If you would like to begin this service, please sign the Full-Coverage Agreement and mail or email the hardcopy to my attention. Or you may fax it in to *(000) 000-0000* to my attention.

I thank you again for the opportunity of allowing *(Company Name)* to be of service to you.

Respectfully submitted,  
*(Company Name)*

*(Coordinator Name)*  
Backflow Coordinator

## ITEM 2 — FULL-COVERAGE BACKFLOW AGREEMENT

Company Letterhead

**For:**  
(Client Company Name)  
Company Address  
City, State Zip Code

**Site:**  
Full Site Address

### **PRICING:**

Proposal price includes (Company Name) Full-Coverage Service; including all testing, cleaning, repairs, labor, replacement parts as necessary, and as many callbacks as required to keep your backflow device in compliance with the state's regulatory agencies for one full year. This does not cover complete replacement of device. As part of this service, (Company Name) will maintain the record-keeping portion of your corporate backflow program, keeping you in compliance with local, state, and EPA requirements.

Our records indicate that the above location has:

**(1) Device ¾" @ \$000.00 ea. (1) Device 2" @ \$000.00 ea. (1) Device 6" @ \$000.00 ea.**

**Total Price: \$0,000.00**

Agreement Start Date: \_\_\_\_\_ (TBD)

### **LICENSES & CERTIFICATIONS:**

All labor will be performed by a licensed Union Plumber, who is also a Cross-Connection Control Device Inspector certified by the State of (Your State) EPA. Licenses and Certification numbers will be provided upon request.

### **EXCLUSIONS:**

This agreement pre-supposes that all devices are operating and in maintainable condition. All pre-existing conditions and problems (if any) are the responsibility of the customer. If repairs are found necessary upon the initial inspection, repair charges will be submitted to the customer for approval prior to any repairs being performed. Replacement of devices is not included in this agreement. (Company Name) shall not be responsible for replacement of parts when they are obsolete, when original design changes are necessary, or when damages occur due to labor disturbances, fire, commercial delays, spoilage, loss of business, war conditions, and/or acts of God or circumstances beyond its control. It is expressly agreed that (Company Name) assumes no liability for negligence, misuse, or failure to perform the services herein set forth. This sum is payable in advance and shall continue for yearly periods thereafter until terminated by either party in writing at least thirty (30) days prior to the anniversary date. Agreement can be terminated with thirty (30) days prior notice only on the basis of failure, by either party, to meet contractual agreements.

### **PROPOSAL ACCEPTANCE:**

**(Company Name):** \_\_\_\_\_ **Date:** \_\_\_\_\_

#### **Customer**

By: \_\_\_\_\_

Title: \_\_\_\_\_

PO No: \_\_\_\_\_

#### **Representative**

By: \_\_\_\_\_

Title: \_\_\_\_\_

## ITEM 3 — EXTENDED BACKFLOW SERVICE LETTER

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*Company Letterhead*

*(Date)*

Attn: *(Client Name)*

Address 1

Address 2

City, State Zip code

***(Company Name)* will manage your backflow devices as if they were our own!**

### **Premium Service Backflow Planned Maintenance Program**

*(Company Name)* is unique in that our service includes not only a one-time test and certification, but a complete backflow service and maintenance program for each backflow device we work on, for one full year! No callback charges for cleaning or repair. This maintenance is a “one call does it all” program.

As a maintenance customer, *(Company Name)* will maintain the record-keeping portion of your corporate backflow program. Our computerized database will store your backflow device inventory and test results, thus ensuring that on any given day, your municipal cross-connection control program is up-to-date and ready for review by EPA personnel.

*(Company Name)* will contact you to schedule an appointment to ensure your continued compliance with local, state, and EPA requirements. All backflows covered under this maintenance program will be tested, repaired (as necessary), and certified. Proper documentation will be sent directly to the appropriate water district.

### **Premium Service Backflow Planned Maintenance Program includes:**

- 1. Scheduling**
- 2. Testing**
- 3. Maintaining**
- 4. Cleaning**
- 5. Repair, re-build, parts, and labor**
- 6. Certification, documentation, and reporting to the appropriate water district**
- 7. Fixed budget cost**

### **Backflow Device Installation**

We pride ourselves on safeguarding your drinking water. We specialize in the installation and certification of all types of backflow prevention assemblies, ranging in size from ¼” through 12”.

With over *(# of years in business)* years of service, we take great pride in being the leader in our industry in the testing and installation of backflow devices.

Please call me at *(xxx) xxx-xxxx, ext.xxx*, for all of your plumbing and backflow needs.

Warmest regards,

*(Insert Signature)*

*(Type Name)*



**ITEM 4 — DRAIN & SEWER PLANNED MAINTENANCE SERVICE AGREEMENT**

*Company Letterhead*

**PLANNED MAINTENANCE AGREEMENT (Page 1 of 4)**

**FOR:**

**SITE:**

**PROPOSAL #:**

*(Company Name)* shall provide scheduled planned maintenance services on all plumbing fixtures and piping listed in DRAIN AND FIXTURE INVENTORY.

The planned maintenance service agreement includes sewer and drain line cleaning of all lines, per DRAIN AND FIXTURE INVENTORY. Drain line cleaning will ensure peak operating efficiency, thus resulting in less downtime and fewer repairs. Planned maintenance services listed herein shall be furnished for the annual sum of \$0.00 payable in advance on presentation of the invoice, and in accordance with the following schedule:

Annual Sewer Main Hydro jetting: @ \$0.00

Annual Lavatory Sink Drain Maintenance: @ \$0.00

Annual Urinal Maintenance: @ \$0.00

Annual Emergency Floor Drain Maintenance: @ \$0.00

Annual Breakroom Sink Drain Maintenance: @ \$0.00

AGREEMENT START DATE: *(Insert Date)*

Company Name:

Customer: \_\_\_\_\_

Representative: \_\_\_\_\_

By: \_\_\_\_\_

*(Insert Rep Signature)*

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

PO: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PLANNED MAINTENANCE AGREEMENT (Page 2 of 4)**

QTY#	DRAIN AND FIXTURE INVENTORY	FREQUENCY
0	<b><u>Mainline Drain Cleaning Maintenance:</u></b> Cable and hydro-jet sewer main to city connection at street.	Annually
0	<b><u>Common Area Restroom Lavatory Sink Maintenance:</u></b> Remove P-trap. Cable and flush drain to point of connection to ensure proper flow.	Annually
0	<b><u>Common Area Restroom Urinal Maintenance:</u></b> Remove urinal from wall. Acid wash and decalcify trap. Cable and flush drain to ensure proper flow.	Annually
0	<b><u>Common Area Restroom Emergency Floor Drain Maintenance:</u></b> Cable and flush drain from P-trap to ensure proper flow.	Annually
0	<b><u>Breakroom Sink Drain Maintenance:</u></b> Remove P-trap. Cable and flush drain to point of connection to ensure proper flow.	Annually

## PLANNED MAINTENANCE AGREEMENT (Page 3 of 4)

### STANDARD PROCEDURES

1. *(Company Name)* will select a plumbing team based on your equipment type and building needs. A team approach is proven to reduce downtime and operating costs.
2. As each maintenance visit is performed, our technicians will note equipment deficiencies, if any, and a proposal will be presented for your approval.
3. Service Call Procedure — When placing a service call, simply ask for plumbing service dispatch. Upon arrival, the plumbing technician will check in with the appropriate person. Upon completion, the technician will check out and relay the resolution to our dispatcher. A copy of the resolution or status will be emailed to you and then stored in the *(Company Name)* software system; this enables you to know the status of the service call and allows *(Company Name)* to track the plumbing history of your building. A service call history report is always available for your review.
4. As a contract customer, you will receive 15% off our hourly rates as well as preferential service call status.

## PLANNED MAINTENANCE AGREEMENT (Page 4 of 4)

### THE CUSTOMER AGREES:

1. To properly operate all fixtures, equipment, and drain lines in accordance with the manufacturer's and *(Company Name)*'s instruction and to promptly notify *(Company Name)* of any unusual operating conditions.
2. To permit reasonable, timely access to the building, keep equipment rooms free of material extraneous of noted systems, move any items needed to gain access to equipment, and permit use of existing storage areas, ship facilities, and building services.
3. That any alterations, additions, adjustments, or repairs made by others, unless authorized by *(Company Name)*, will release and terminate all obligations by *(Company Name)*.
4. To not hire or otherwise engage any *(Company Name)* personnel during their employment or within six (6) months of their termination of employment with *(Company Name)*.
5. Asbestos: *(Company Name)*'s scope of work shall not include the identification, detection, abatement, encapsulation, or removal of asbestos or other products or materials containing asbestos or similar hazardous substances. In the event *(Company Name)* encounters any such material in performing its work, it has the right to discontinue work and remove its employees until the hazard is corrected or it is determined that no hazard exists.
6. *(Company Name)*'s scope of work shall not include the detection, identification, or removal of mold, mildew, or fungi from the equipment or systems included in this agreement.
7. To only allow water-soluble waste and materials to enter into drains and that *(Company Name)*'s responsibilities will not include drain stoppages and pipe failures due to the following:
  - Non-water soluble products, such as but not limited to paper towels, rags, and feminine products
  - Grease, lard, or animal products due to non-functioning grease interceptors or nonuse of grease interceptors
  - Root intrusion
  - Foreign objects in lines or sabotage
  - Improper or faulty plumbing lines which are settled, broken, deteriorated, or damaged
  - Rusty pipes, corrosion, or unusual restrictions due to materials or hard water buildup, cleaning chemical, lye, sulfuric acid, etc.
8. That customer will assume responsibility and pay extra for all service and materials that may be required above.

### TERMS AND CONDITIONS:

- The price for services described in this agreement is subject to adjustment on the anniversary date to reflect *(Company Name)*'s prevailing labor rate, and any material cost increases.
- This agreement can be cancelled by either party by giving notice to the other party at least thirty (30) days prior to the anniversary date as established by the effective start date. Such cancellation shall not affect any substantial performance by *(Company Name)* or any obligation of either party as a result of such performance. *(Company Name)* reserves the right to discontinue this maintenance service agreement at any time that payments have not been made as agreed, for any services rendered.
- All work will be performed during the standard work-week hours of 7:00 A.M. to 5:00 P.M. Monday through Friday, unless otherwise noted elsewhere in this agreement.
- *(Company Name)* shall not be liable for any damages due to labor disturbances, fire, commercial delays, spoilage, loss of business, war conditions, and/or acts of God or circumstances beyond its control. It is expressly agreed that *(Company Name)* assumes no liability for negligence, misuse, or failure to perform the services herein set forth.
- *(Company Name)* shall not be required to move, replace, or alter any part of the building structure in the performance of this agreement.
- The Customer agrees to pay for said work, labor, and materials promptly. In the event of failure to pay an invoice, or any portion thereof, within thirty (30) days, the Customer, unless otherwise specified below, agrees to pay a finance charge computed at a "periodic rate" of 1.5 percent per month on balances of less than \$1,000.00. This represents an annual percentage rate of 18.0 percent. On balances in excess of \$1,000.00, the finance charge will be computed at a "periodic rate" of 1.0 percent per month, which is an annual percentage of 12.0 percent. The Customer further agrees to pay any reasonable attorney fees and costs of collection incurred by *(Company Name)* to enforce the provisions of this Agreement. THE PERSON SIGNING THIS AGREEMENT WARRANTS HIS/HER AUTHORITY TO SIGN THIS AGREEMENT ON BEHALF OF THE OWNER AND/OR PURCHASER.
- In the event the parties are unable to resolve a dispute by a good faith meeting of the principles, the parties shall proceed with mediation. The mediator shall be well versed in construction-related claims and shall be agreed to by both parties. In the event the parties are unable to resolve the dispute through mediation, the dispute shall be submitted to and determined by arbitration in *(jurisdiction)* under the Construction Industry Arbitration Rules of the American Arbitration Association then in effect, and the parties agree to be bound by the award in such arbitration. The parties waive any right to a jury trial.