



PHCC NEWS

An advertorial section sponsored by the Plumbing-Heating-Cooling Contractors - National Association (www.phccweb.org)

Aim for Profit in 2007

WITH 2007 LESS than a month away, plumbing and HVACR contractors are looking ahead for what they hope will be a profitable year.

What are the secrets to a successful, money-making year? The Plumbing-Heating-Cooling Contractors - National Association interviewed some award-winning contractors to find out what their best recommendations are.



David Jones, Dave Jones Plumbing & Heating, Inc., Madison, Wis., 2006 Delta Plumbing Contractor of the Year

We consistently create processes to make our personnel more efficient. We make every possible concession to make our crews efficient. For instance, our crew leaders are provided with a company vehicle that they are allowed to drive home at the end of the workday. This allows them to drive directly to our job sites, and eliminates the amount of unproductive time spent in our shop. We also minimize material handling by having our material dropped off at the site before our crews arrive, and the material is picked up after they leave. We also have expanded our prefabrication shop to improve efficiency.



Patrick Nugent, President of John Nugent & Sons, Inc., McLean, Va., 2006 PHCC/TRANE HVAC Contractor of the Year 2nd Runner-up

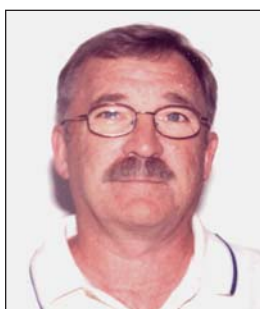
We have on-going training classes in conjunction with our local distributors to keep our technicians up to date with all new developments. In addition, our service manager works with all technicians daily to review difficult calls and suggest alternative ways to handle difficult situations. At the same time, technician needs in the field are actively discussed with office staff to help everyone work together to give our customers the best customer service we can offer.



Gary Peed, Peed Plumbing, Manassas, Va., 2006 Delta Plumbing Contractor of the Year 2nd Runner-up

You have to know your cost of doing business. And you have to know your overhead, which is part of your cost of business. Also, know your labor cost and material costs. If you don't know these, you are going to fail.

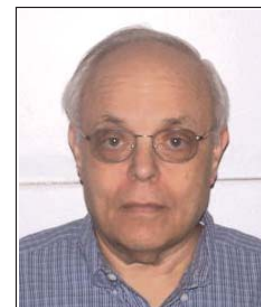
We have financial reports broken out for us each month. We break these down by job, and can see the labor rate, material used on houses, etc. With all this information, you can see trends and then analyze. When we bid work, we look at the day's cost and add something on to it. We know what our labor and overhead are. There are too many people out there doing work who have no idea what their true costs are.



Alton Shannon, Shannon's Inc., International Falls, Minn., 2006 PHCC/TRANE HVAC Contractor of the Year Winner

Profitability all starts with a plan, as well as a mind set, for profitability. It is said, "If you think you can or if you think you can't, you're right." Management must start with the premise that the company is going to be profitable and make adjustments on both the cost side and the revenue side to achieve that goal. One of the most significant steps toward achieving

profitable jobs is to pre-plan your projects. Determine from the estimate how many man-hours you have to do segments of the project and set up a plan on how this is going to be accomplished. The plan allows you to properly man the project, to make sure they have the information needed for the installation, to have the right tools and equipment ready for them, and to have the materials onsite at the right time.



Tom Warner, Utility Service Express LLC, Reston, Va., 2006 PHCC/TRANE HVAC Contractor of the Year 1st Runner-up

Defining your service standards is one area that I think is very important. Quality service means different things to different people. Often the customer and mechanic do not have a meeting of the minds on service quality.

We define "good quality service" in our employee handbook and company culture. I feel the consistent delivery of a fixed quality level of service must occur for our company to be successful. At the same time, it provides technicians with opportunities for success by following a single clear path to follow in the direction the company has mapped out.



Kenny Young, Young Plumbing & Heating, Inc., Bethlehem, Pa., 2006 Delta Plumbing Contractor of the Year 1st Runner-up

The one area I would suggest to improve profitability is pre-planning of work. You can eliminate loss of time by having a back-up schedule (having other jobs lined up) in case something falls through or scheduled materials don't arrive on time.

PHCC Offers Exclusive Ways to Improve Your Bottom Line



PHCC offers many education and training options and online resources to help improve plumbing and HVACR contractors' bottom line. Plus, the networking opportunities with contractors across the nation expand the value of membership even more.

Whether you are interested in education on project management, calculating overhead, service agreements or sales techniques, PHCC and its related groups offer business-building seminars, manuals and conferences on these topics and many more. Call 800/533-7694, or visit www.phccweb.org for more information.