Twitter Thread by John Wilson



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This is a very long thread. @SamtLeslie asked to give the playbook for service companies so here it is. Follow it and you'll get to 5M+ in a few years.

This is pure operations playbook.

No leadership, financial or HR discussion. Enjoy.

Industry:
Doesn't matter much. @sweatystartup has an awesome list of service industries on his website that will get the job done.

Trades:
If you are under 3M and in multiple trades you're doing it wrong. I was there and it was a mess.

Businesses under 3M don't have good system, managers, effective onboarding, training, hiring practices, or pricing methods. If you did then you'd be bigger.

Trades cont:
Multiple trades doubles that mess. Get your first business figured out then work on another.

I would recommend earliest 4M to add a second trade, if at all. Any earlier you're splitting focus and treading water.

Focus Focus Focus.

Software:
If you're using anything besides Servicetitan then please stop and go get Servicetitan. No other software even close to their capabilities.

It is 50% more expensive than other programs on the market while making you 100% better than any competitor not using it.

Marketing:
Radio, billboards, tv and postcards are cool and all but I see them as "density marketing". Do it when you're rolling at 4M.

Brand building is cool but your two truck brand doesn't have the bandwidth. Go build your company, a culture and then drive brand.

Marketing cont:
Up to 4M blow your internet presence up. Aim for a thousand google reviews. Spend money on PPC and SEO. Pick up your phone when it rings. I use Scorpion and highly recommend.

I've seen people double marketing budget without enough CSRs in place to pickup. ■

Pricing:
Price yourself at a premium and use flat rate. I can honestly say I have no idea what my competitors charge.

I can also honestly say that their pricing is irrelevant to my pricing.

Pricing cont:
I eat their lunch all day long because we provide awesome service, our customers love us, we have hundreds of 5 star reviews and oh yeah - we pick up the phone.

Raise them annually.

Comp:
Pay your techs a lot. If you aren't actively looking for a path to get your techs earning a lot then you'll lose good techs.

Here's the deal. Techs can make a lot. They know they can make a lot. Your competitors advertise that they pay techs a lot.

Comp cont:
They'll either do it by working for you, a competitor or themselves.

Lots of ways to get here. I recommend an hourly + incentive approach. We regularly have techs topping $50/hour effective rate and if we didn't we would lose them.

Career paths:
Becoming a manager is not a promotion. I see a lot of well meaning owners promoting their "best tech" to service/op manager. I am going to make an extreme statement and say that I have NEVER seen this be effective.

Career cont:
Not only did you just lose your best tech but you also hired someone who has probably never managed anyone to be your go-to manager.

This is too important of a position to promote someone who needs taught. Take your business seriously and hire an actual manager.

I am truly blessed to have incredible managers in my businesses. My businesses started taking off when I stopped trying to make techs managers.

It doesn't make sense, I don't know why I did it and certainly don't know why people smarter than me do it.

Systems:
Go find a business system and follow it. There are a lot of them out there and it's not just franchises.

It will shave years off your growth plan because it puts best practices into your biz early.

Benchmarking:
Find out your industry KPIs. This can be done through a business system, friends you know in the industry or asking Twitter.

If you don't know what to aim for you'll never hit it. I've SMB owners who dont know their avg ticket, GM or how they compare to industry.

Vehicles:
Around 10 vehicles look into commercial leasing. It makes growth dramatically easier.

I can email our fleet company and have a vehicle on my lot, shelved, wrapped in two weeks. (Soon they'll do inventory too!). You're not in the car business.

Inventory:
Tackle it early. It's a pain in the ass later. I recommend inventorying trucks and investing in a software to track it. Lock the room, track those costs.

Kill it if you can. You shouldn't be in the inventory business.

Healthcare:
Do it. Plus 401k and whatever else. Hard to grow a company if you don't keep good people.

Hard to keep good people if you don't give them a good place to work and make them not stress about their personal life.

Playbook:
Go buy a company doing 500k - 1M revenue and is super inefficient. More inefficient the better. Resist the urge to start something. You'll spend a few years for no reason.

Pay whatever. I'm all about value but you'll grow so fast it's less relevant.

Immediately raise prices and put on flat rate.

Hire a call center to handle overflow and hire a new CSR, maybe 2. I can almost guarantee the one that came with the biz is grumpy and not a good CSR. That phone needs answered no matter what and customers need to love that voice.

Build a comp system for techs so they can ethically grow your business for you.

Put company on Servicetitan.
No. Housecall pro, jobber or any other discount CRM is not the same.

Yes. It is worth the price difference.
Yes. This decision is important and will hold you back later.

Call Scorpion. Get a new website and invest heavily in PPC, LSA, SEO and reviews. Anything else right now is unnecessary.
6% of revenue is a good start.

Join a biz system or find best practices for HR, hiring, onboarding, training and management. Nextstar, SGI, QSP, Service Roundtable. Tons out there. Don’t waste your time trying to build this - just pay them 10k a year and get rolling.

Every 6-8 techs hire a manager.

After all this you should have accidentally added between 50-100% to the top line in about 12 months. If you didn’t - reread the list. This list will get you to 5M. Farther if you live in a growing/developing city.