

Transcript

Krystal Hobbs 0:04

Welcome to Beyond the Tools the podcast that helps contractors attract more leads, grow their business, and finally get off the tools. In each episode, you'll discover marketing tactics that work. You'll get actionable insights from other successful contractors, and connect with experts to help you grow. I'm your host Krystal Hobbs, owner of a social media agency that helps contractors attract and convert more leads. Get ready to take your business to the next level so you can finally enjoy the fruits of your hard labor. Ready, let's go!

Welcome back to another edition of Beyond the Tools, and I have a terrific interview for you today. Today's guest is Chad Peterman, president, and CEO of Peterman Brothers Heating, Cooling, Plumbing & Electrical, along with his brother Tyler. They've built the company to over 325 employees serving six distinct sites. They've won numerous honors, but one of the most notable is that they've appeared on IndyStar's Top Workplaces list five years in a row, which is rather remarkable. Chad is very passionate about spreading the concept that expanding your employees will ultimately grow your organization. Chad is very passionate about sharing his message that growing your people will ultimately grow your company. This is a big theme in today's interview. Chad is so passionate about this that he created a book called *You Can't Stop The Growth: How to Build a Culture That Takes Care of Your Customers*. He also hosts the weekly podcast *Can't Stop the Growth*. Chad discusses the specifics of how they attract and retain staff in our conversation today. And he offers his somewhat unusual opinion that the labor deficit is unimportant. And if you believe it is important, it is likely to be your undoing when it comes to your company's success. So you should certainly listen to this episode. Let's get started.

I'm delighted to welcome today's guest, Chad Peterman, to the show.

Chad Peterman 2:28

Thanks, Krystal. I appreciate you having me.

Krystal Hobbs 2:30

So I know that caring for your people is a significant essential principle for you as a leader and as a business owner, and you wrote a book about it. So, at this point, you've developed significantly over the last few years, with six sites and 325 employees? How

do you keep your employees happy? And how are you demonstrating your concern for them?

Chad Peterman 2:58

Yes, I believe that a lot of it boils down to a very simple philosophy of action and effort. Often, I feel like culture, which we work very hard to develop here in the company, is just putting some great games in the break room or saying, okay, we'll have these cool benefits or something. And, to be honest, I believe a lot of people miss the point; those things are significant. However, I believe that the acts you perform on a daily basis are far more significant. So we really look at it through the prism of our most important customer, which is our employee. And I have no problem saying that even to our customers, because I would hope that our customers would want our employees to be our number one customer because if they're our number one customer when they come out to their home, they're going to do a fantastic job because they're bought into the culture of the company, they want to take care of the customer, they want to do a great job, they want to, you know, not leave until the issue is fixed. All of those things, I believe, boil down to the actions that you take, whether it's patting someone on the back or telling someone in the call center that they're doing a fantastic job; whatever it is, you as the leader must be front and center when it comes to promoting those actions, carrying them out, and really just making them a part of the fabric of your company, where people are always assisting each other with a positive attitude and a positive outlook.

Krystal Hobbs 4:23

Absolutely. And what are some of the measures you've put in place to guarantee that this is spread throughout the organization? In other words, how are you meeting with employees tactically? How can you ensure they're on the proper track? What do some of that look like?

Chad Peterman 4:43

So I believe it's a terrific location to help some listeners if these are things they want to implement. But, for me, I adore reading, studying, and all of that, so I made a firm commitment. It was maybe three years ago. Now. Anything I learned or came across, I was going to share with our people. As a result, I speak every other Friday at 6 a.m. I was actually speaking before this podcast, this morning. And when we talk about care, those are the things I offer in my leadership philosophy. So this morning was all about attitude, and how maintaining a positive attitude in every situation allows you to see it as an opportunity rather than a challenge. So it is one of the things I do. I'm also a big fan

of thank you notes. So I've set a personal goal of writing thank you letters every morning to people in our team who are doing a good job, are new to the team, or I saw him do something that I really admired; a mentor of mine taught me that technique. And I've had it with me for about two and a half years now, ever since she told me, and it's amazing how much of a difference 10 minutes in the morning can make in reflecting on how grateful I am to have them on our team. And that, to me, is a small piece that goes a long way. Another thing I mentioned this morning as a leader is that I bring a positive attitude every single day. So, no matter what the issue, no matter what's going on, I'm bringing a good mindset. Because what I know about a positive attitude is that it's going to be your superpower, as I tell my kid because your attitude is going to influence the direction of your life. And so we try to make that very clear here by meeting with individuals, with each manager responsible for meeting with people on their team individually twice a month, to do a one on one and understand where they're struggling, where they need help, and to pat them on the back for something they did well. However, I believe that all of those things are important when it comes to expressing that you care about your employees.

Krystal Hobbs 6:56

Yes, I really like the notion of the notes. With over 300 people, they don't necessarily get to talk to you every day. So I believe it's big to have a handwritten note from one of the owners saying that their work is appreciated or that something they did was noted. So, when it comes to the bones and bolts of your employee packages, I know one of the things you discussed in the first chapter of your most recent book was the idea of a guaranteed 40. Could you perhaps explain to us a little bit more about it and how it works?

Chad Peterman 7:37

Yes, I'm sure most people are perplexed by the fact that there are so many different payment plans available, and it just so happened that this one fits our culture well. However, we observed that knowing they had worked was critical for installation technicians who did not have the ability to earn stipends, incentives, and other benefits like our service technicians and salespeople. And, like many of our installers, they are great artisans in our field with truly exceptional abilities. They don't always have control over the workflow that allows them to care for their families, pay their bills, engage in enjoyable activities, and so on. So we asked ourselves, "How would it look if we guaranteed our installation?" Technicians, if we promised them 40 hours of work, they wouldn't have to wonder, "Am I going to have a job on Friday because I really need that

eight hours of cash to fulfill my energy bill, which is due on Monday?" And so we really relieved them of that responsibility by telling them, "Hey, as long as you're available, and you're here on time, and all of that stuff, I'm going to pay for 40 hours." And a lot of people say, Well, isn't that going to crush your labor? And I'll tell you that it hasn't affected our labor cost in install because guys are a little bit more efficient. The flip side of that is that because they're guaranteed 40 hours, if they can get a job done a little bit quicker, they're less likely to be out on the job, and I want them at home. I don't want them to be on the job any longer than necessary. I want them to be at home with their families and children, going to baseball games and doing enjoyable things. And if we can take care of it and relieve some of the pressure on the men. That, in my opinion, is our company's responsibility.

Krystal Hobbs 9:34

Yes, and it may appear to be so basic, but what a difference it would make on even someone's stress level if I was promised this work. I don't have to worry about where it'll come from, and I can relax, and I feel that's the simplest but most important way to show your texts that you care for them and their families.

Chad Peterman 9:59

Totally. When I talk to the guys we interview, they'll respond, "Yes, I only get 16 hours a week over here." And I'm like, how? What? I've done the math, and there isn't a lot of money coming in. And, if you're sitting at home, your family life is probably not going so well. If that's all you're capable of bringing in, which you don't have much control over.

Krystal Hobbs 10:24

So, clearly, with a firm of over 300 individuals, what you can do for your team is certainly a lot more than it was when you started as employee 21, or 22. So, how did you get started caring when your team was smaller?

Chad Peterman 10:45

Yes, I believe it is easier when it is smaller than when it is larger. Yes, you may have more resources, but it will be more difficult to make an impact. So, nowadays, when we hold a Christmas party, it's more like having a massive wedding. So, for example, we're having our holiday party in January, and finding a facility that can accommodate 600 people will be a little more challenging than when we used to have a party just in the back warehouse, and pitch in and all of that stuff. But, what we started with care is giving people gift cards around the holidays, or helping them out, or giving them days off for PTO. It's not usually more money or something like that, especially nowadays; it

might just be, well, I'm going to give you the day off and pay you for it. So get out there and spend some time with your family. And when we were younger, it was just a little bit easier because you saw everyone, right? Now that there are many sites and different things like that. There are some guys I don't get to see every day. So I don't enjoy it, but it's a necessary part of the process. So we have a nice time when we get together. But I believe there are a lot of small things you can do as a leader; we just have to get out of our own way because leaders often get discouraged when they do something for someone and they don't say thank you, or they didn't think they didn't like it as much as you thought they should, or you didn't think their appreciation level met the whatever you gave to them. And most people would tell you that you need to get that out of the way. Because, after all, why did you give it in the first place? Did you give it so that you may be thanked for it? Or did you give it because you actually cared? If you truly care, keep giving, supporting your team, and pushing the ball ahead. Because the moment you quit doing it, you are doing it for the wrong reason.

Krystal Hobbs 12:41

Right? Sure, absolutely. That's fantastic. So I know you started in business doing things like sales, marketing, and learning the ropes. And many of our listeners may begin in this manner, or they may begin with the tools. And they aren't necessarily natural leaders, or it's not something they've done before. So, Chad, if you think back, what was one of the things you battled with as a rookie leader?

Chad Peterman 13:12

That's an excellent question. So I'd say one of the things I battled with was accepting that everyone is unique. And that's fine. As a result, it's really simple. And I believe that many entrepreneurs are similar. And we come to believe that everyone should be like us. And everyone should want to run as quickly as we do, work as hard as we do, and love our company as much as we do. And I used to be a little like that. And it occurred to me that no one else is going to adore this firm as much as I do. That's perfectly fine. They shouldn't, and it would be very unusual if they did. Because you, as the owner, have a greater stake in the company than the employee. Recognize that everyone is going to be a little bit different. We began. It's been a few years now. However, we began a DiSC examination. And what we learned from that was that when the findings of a DiSC evaluation are removed, everyone praises who they are and how bad everyone else's are because they aren't like them. So I've tried to teach my staff that while we accept it, it's appropriate to wear your label as a badge of honor. What we really need to realize is that while it is my badge of honor, I have to be extremely

cautious about those things, because they will come across very differently to others who are not like me. As I learned to deal with this type of identity - of realizing who I was and what aspects of my personality were potentially going to irritate or confuse people, or they weren't going to take instruction effectively, and changing my style. And as leaders, it is our obligation to adapt to the personalities of those we lead. The knowledge that everyone will be a little bit different. And that's fine; it's totally fine. Not everyone will be like you, and if everyone was, well, as my wife says, the world would be a boring place because you are naturally uninteresting. You're an introvert who prefers to stay home and read a book, whereas she prefers to get out and meet new people. But that is why we work.

Krystal Hobbs 15:45

That's fantastic. In fact, our entire crew has performed DiSC assessments. And now I find it enthralling. As a leader, I believe it is an invaluable tool. But I'm also noticing that I'm analyzing everyone I've talked to lately. Yes, indeed. So, I suppose, and I'm just wondering about you. So, what is your DiSC personality type? What impact does this have on you as a leader?

Chad Peterman 16:11

So, I'm a hard C. So it's fascinating that they say the one who crosses from you is the most difficult to deal with? My wife, on the other hand, is high on technology. So, I suppose, opposites attract. But, yes. So, for example, recognizing that my idea of fun is not her sense of fun. COVID nearly killed her since she couldn't walk into the office and talk to all of our folks. And that's exactly who she is. She wishes to be alone. She wants to meet new people, network, mingle, and do other enjoyable things. But it's just knowing that it's acceptable. That isn't the end of the world, for example. She's not wrong to want; it's just the way she's wired. And truly accepting people for who they are. And, at the same time, comprehending how they can assist the corporation because they are exceptionally skilled in an area in which you are not. And it's going to require a variety of people to get this thing moving.

Krystal Hobbs 17:08

That's exactly what I'm talking about. Yes, I am a hard S. As a result, I prefer that everyone get along. And feedback is quite difficult for me. And I'm also slower than my account managers whose a hard D. And she says, "No, let's just do it. Let's get started." So having that balance in your team is nice. So, Chad, I know that pretty much every business owner I'm talking to right now is complaining about a labor shortage, how

tough it is to get employees, and how people don't want to work. So, what advice would you provide to a business owner who is having difficulty finding staff right now?

Chad Peterman 17:51

So, if you think there's a labor scarcity, you're going to have a difficult time getting people, because there isn't, so we can blame the "labor shortage". But what I'm here to tell you is that there are a lot of people out there, all kinds of people out there. And it is our obligation as craftsmen to educate one another on the reality that there is no labor shortage, but we do have a shortage of competent tradespeople. But the most exciting aspect of what we do is that we can teach others how to do it. And so, about a year ago, we established our own school, the Peterman Top Tech Academy, where we bring people from outside the sector into the industry and train them for four months. Then we loaded them into their own van and drove them away. They are also technicians. So we'll have a class graduate here, we're filming this at the end of November, we'll have a class graduate end of in two weeks, the end of November. We've got 17 students training right now, and they'll go out into the field. And what we've discovered is that there are a lot of individuals interested in our trade; they're just afraid they don't have the technical skills. So we went out and identified really good people, people who are hungry, humble, and brilliant, which are the qualities we seek. And we told them, "Hey, I'll teach you how to work on a furnace.", "I'll show you how to replace a water heater." So that's exactly what we've done. We identified people with super excellent attitudes who want to help people and trained them to be technicians; you will not find your remedy to your labor problem within our industry. You won't be able to because there are more folks phasing out than coming in. So that's a formula for disaster. To elaborate on the issue. Let's take a peek outside of the industry. Let's go locate folks who work in warehouses, who are EMTs, who work in hotels, who are waiters and waitresses, and all of these other people. That's not to say we'll steal them from other locations, but we know we can supply them with a wonderful job. So let's get started. Let's band together, let's build these schools, let's build these programs where we can build up our industry so that people are clamoring to get in, rather than complaining that no one's coming in, why would they want to come in, we don't train them, we just throw them out in a truck with Larry and hope you learn something six years later like it didn't happen. So, quit whining. And then we'll do something about it. So that's what we're aiming towards. We're attempting to shine a light on the fact that, yes, this can happen. We held a training session on how to start your own school a couple of weeks ago; we had about eight companies in attendance, and we basically just gave them everything. And that's

where we've been, being upfront and honest with everyone about how we did it. We made some errors and learned from them. And we're always modifying things. But all you have to do is get the ball going, and then you'll meet some really, really nice people.

Krystal Hobbs 21:02

Wow. And I know you've mentioned before, Chad, that your favorite department is recruitment. Could you please walk us through the recruitment process?

Chad Peterman 21:13

Yes, we're going after it hard. So, in addition to our own school and training, we are also recruiting job-ready individuals and individuals for all of our support roles. So, clearly, there is a focus on techs and trades, but everyone needs call centers, people accounting, dispatchers, and support staff management, all of this great stuff. So we have four full-time recruiters who only recruit; that's all they do, day in and day out because I discovered a couple of years ago that our largest problem was people, but no one was focused on solving this problem. We had managers who would say, "Hey, I need another technician," and then go locate one. If they're our most precious resources, as we said at the outset, why don't we have an entire department dedicated to discovering our most valuable resource, and the way I look at it, a lot of business owners in the trades would understand this, how much is a very good technician to you worth? So, how much can they do with their truck in a year? So, take a look at that number. And then consider that number in relation to what a customer is worth; during that same time period, would you rather have a technician or another customer; I'm going to assign the technician. We have interviews going on all the time, we have onboarding every other Monday, where we're bringing in 10 to 15 people each and every Monday to start with our company, I would say that's another piece of it is really crafting a really impactful onboarding program, where you're giving people all the tools because you can go out and find them. However, if you set them up for failure, you won't get much good out of it. So absolutely on the onboarding piece as a part of recruitment, because recruitments aren't ended once you get them in the door, it's like you're still recruiting because they don't know you yet. As a result, you must still make a solid first impression. Also, make certain that they are set up for success.

Krystal Hobbs 23:13

Yes, I believe that is critical. We focus on getting people in, but not on what to do once they're there to ensure that they're immersed in the firm early on and that they'll do the greatest work, have the best experience, and stick around.

Chad Peterman 23:29

Yes, absolutely.

Krystal Hobbs 23:31

Awesome. So, Chad, I know this has been a valuable pack, and there's so much that you've offered here that I believe will have a significant influence on the companies of our listeners; any final parting words of wisdom? What would you say to folks in the home service industry who are listening right now?

Chad Peterman 23:54

But the one message I would put out there, and I put it out there for the group I was talking to you about this morning, is that now is a great opportunity to take control of your situation. So, if you're having trouble finding technicians, generating leads, or accounting, or whatever it is you're having trouble with, now's the time to take ownership. Whether you learn about it or go find an expert, you have the power in your hands, and it all starts with your superpower, which is your attitude. So quit blaming everything. Stop blaming circumstance, blaming the trade, blaming your staff, and take ownership of your life, and more importantly, as it relates to this podcast, take ownership of your company because you own it. So go ahead and claim it. Stop blaming others for why something isn't working, why you're struggling, or why you can't accomplish it. Go ahead and do it. And guess what, if you have that mentality, you will attract others who want to do it with you, and that is what we have discovered is having the attitude of "It can be done, and we will do it." People will draw toward that, and you will build a team capable of taking on the world.

Krystal Hobbs 25:08

Amazing. That's fantastic. So, Chad, how can our listeners get to know you better? How can people get in touch with you?

Chad Peterman 25:16

Yes, absolutely. So there are a handful of options. If you wish to contact me directly regarding any information, please do so; my LinkedIn name is Chad M. Peterman, you'll find me there since I always put out material that I'm learning there. And then you can find us at our podcast Can't Stop the Growth, where I've put all of the talks that I was talking about this morning on our podcasts for interviews and all kinds of stuff. Then you can discover my book at cantstopthegrowth.com, where I discuss our entire business strategy and how we've expanded our firm thus far.

Krystal Hobbs 25:54

Okay, excellent. And we'll provide all of that information in our show notes as well. So, if you're listening, you can check it out there and get all the links to connect with Chad. Awesome. So, Chad, thank you so much for your time and for being able to attend the show.

Chad Peterman 26:10

I appreciate the time, Krystal. And, yes, I've listened to quite a few of your programs, and you're doing some really amazing work. So, thank you for all of your contributions to the trades, and I hope you will continue to lift it up and provide resources for people who need them.

Krystal Hobbs 26:32

Thank you so much for listening to this episode of Beyond the Tools. If you liked what you heard, please subscribe rate, and review wherever you get your podcasts. I'd love it if you could also share this episode with a fellow contractor who is ready to get off the tools and grow their business. And if you want more leads, sign up for our email list at reflectivemarketing.com where we share weekly marketing insights that you can't get anywhere else. I'm Krystal Hobbs and I hope you'll join me on the next episode of Beyond the Tools. See you next time.