

# 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!

Krystal Hobbs 0:46

Hey, contractors, welcome back to Beyond the Tools. I'm your host, Krystal Hobbs. And today I'm excited to introduce you to Robert Matheny. I met Rob at the Service World Expo, and I share a little bit about how we met in the podcast. But I just love his energy, and he thinks about business in a very different way. And really, this episode is about creating a business that can run without you, which is essentially the theme of this whole podcast. Rob co-founded reliability Home Services, which he runs with his wife, out of Maryland and Pennsylvania. He is also the co-founder of a business coaching company called service ninja, which helps contractors grow. And he's an author. He's a consultant. He's a father of five foster children and a volunteer. He does so many things and it's really because he has intentionally built his businesses to run without him. So today's conversation is essentially some of the building blocks that you will need. If you want to get out of the hamster wheel if you feel imprisoned by your business if you're at a point where you can't even have a family dinner without answering your phone if this sounds like you, this is absolutely the episode that you need to listen to. Rob shares with us some of the things that have really made a difference both for his businesses, and for the businesses of his clients when it comes to processes automation, training your team, and so many other pieces, but really focusing on how you can do things differently, and how you can design your business with intention so that you're not tied to the day to day. Let's head on over and chat with Rob.

Krystal Hobbs 2:51

Welcome to the show, Rob. So excited to have you here.

Robert Matheny 2:54

Thank you, Krystal, I appreciate the invite.

Krystal Hobbs 2:57

So I was very fortunate to meet you at Service World Expo, especially at a point in the networking process where I had kind of gone dead in the eyes. I love that when I met you, you were like, "Isn't everyone here a little boring?"

Robert Matheny 3:17

They're all wearing polo shirts and are buttoned down. It's like I'm wearing it today. And, nobody really had a lot of flavors. You did. And there was somebody you're with that had a little bit of flavor to them. So it was kind of fun. That's why I was interested to talk to you.

Krystal Hobbs 3:35

Those are the best moments. And it really, really reminded me that I think it's important to be yourself, and you definitely made an impression. So I'm excited that we get the opportunity to chat today.

Robert Matheny 3:47

So what do you have? What kind of questions do you have for me, Krystal?

Krystal Hobbs 3:51

So what I think is really interesting about you, Rob is that you're both a contractor, but you're also a coach and consultant among the many other things that you do. But you really get to see the home services industry from all sides. So that's why I wanted to have this conversation today. But maybe you can give us a quick overview of how you got involved in this industry.

Robert Matheny 4:21

I got involved in the industry in the mid-90s. When I got out of the Navy, I joined a company and I was a helper and it didn't take long for that mechanic to say hey if you can sell something, go ahead and I just started selling stuff on everyone. I was his helper, and we walked into a job and he was putting in a furnace I said why didn't we sell an AC at the same time? He said, "If you can, go ahead." I said how much? He said we sell it for 1800 Anything over that you keep. So I just walked up to the customer and I sold it for 3600 and that kind of started it off and just kept going up from there.

Eventually, I started my own company in 2013. And with the help of a couple of other people, I put it, I built it. And my whole job from the time I started till now was to build a process that I could just step back, and it would run itself. And I would check a couple of KPIs CPIs and make sure everything was functioning the way it was supposed to. And I can move on and do other things. I wrote a book, were a couple of them, including a poetry book and a business book. And I speak at events. I do part-time training for the new flat rate. I got a lot of irons in the fire, but I really had just a kind of like to spread that knowledge around and teach other people how to gain a little bit of freedom in their life and make money while they're doing it. How many games do we have to miss? Like, how many Valentine's Days do we have to get up from the table and leave our significant other sitting there while we're taking a phone call for work? And so I started teaching that.

Krystal Hobbs 6:05

That's incredible. And I love that with Reliable Home Services, you went into that very intentionally about creating a business that you could step away from the day-to-day.

Robert Matheny 6:17

I did, it was originally my wife's idea. And she runs it now, every once in a while she'll call me up because she needs help with this or that. But for the most part, I just check the numbers and give her feedback. And then I stay out of the business. I did run because of the really cold weather. I did run some calls last week, she asked me to run some calls. And I did four calls, and we did 48,000 in those four calls. I spent a lot of time studying communication and sales, which everybody thought was about selling something, but it was more about buying something. Honestly, people will just buy if you let them.

Krystal Hobbs 6:55

I love that. And I know we're gonna get into a few of those things and share some insights there. But perhaps you can tell me a little more about how you and Amy grew Reliability Home Services, are some of the things that allow you not to be so involved in the day-to-day of the business.

Robert Matheny 7:17

So, when you start a business, you have a bunch of different hats you have to wear. You have to capitalize on your company, and to create cash flow, you have to understand how money works. It works a little bit differently than you would think it

would. You sell a job, you pay the expenses, and what you have left over is yours, but it doesn't work that way. You have to create the ability to finance the next job, and the next job and to maintain your business for the long haul. So what we did, specifically, everything that we built was about tomorrow and not about today. So were there some times at the beginning when it was tough? There was. But as we moved on, after we started the first year, we only did 480,000 which some people might look at and go, "Wow, 480,000. That's amazing." Next year, we did over a million. The year after that we were at 1.5. And now we do about five to 6 million a year, even in the down economy. And that's we focus on a couple of things, we focus on the people, right? We focus on training, and we focus on focus on people training and, just to keep building processes. So anytime there's any problem, we find a way to make that process solve itself. And processes are so over-encompassing that you don't even realize that there should be a process for everything. How you take out your trash should be a process.

Krystal Hobbs 8:56

So when you talk about a process, is that always written is that actionable?

Robert Matheny 9:03

If it's not written, it's not repeatable. So it's like even when we do us we did our training, right? Every training that we did have to be written down, and it had to have an accompanying PowerPoint, even though our training was always less than an hour, right? So we would do every Wednesday do training, it's 15 minutes of Tech Talk, 15 minutes of Q&A, 15 minutes of admin, and 15 minutes of sales training every week communication and sales training. And we did that for I don't know, right now. It's been like nine years since they've done it. And every training had to be written down every training had to have an accompanying PowerPoint. So that next time we train that thing, it's being taught the same way now as it was last time. And the same thing with processes had to be written down so that the next time we did that process, it was done the same way, In every company, I feel like there should be this book that says, the way this company works that is not written down anywhere. How many times have you workplaces and you've just been like, how do we fix this problem? And nobody, really, somebody knows, and they'll tell you, instead of it being able to be found somewhere but it takes you months to catch up to all that, where if it was all written down, it becomes very easy, right?

Krystal Hobbs 10:26

So when you're starting the process of building processes, when you say something like even how to take out the trash needs to be a process, that can feel like there's an overwhelming amount of things that need to have a process. So where did you guys start or what are the most important things that you need to have a process for?

Robert Matheny 10:54

So what we did was we started with building what was right in front of us. We had a problem. And what, I still do it to this day. I carry a little notebook around with me, and whenever I encounter any problem, I write it down, right? And as soon as I write it down, when I get back to the office, what I'll do is I'll just figure out a way to solve that problem. And what we did is by doing that, everybody doing that, we would build one a week. Now, that doesn't sound like a lot. But what we found is if you tried to introduce 20 of them at the same time, it just all fell apart. So we would build one at a time every week. And every week, there would be a meeting, one in the service department, one in the office department, and one with the management. And every week, we would have one process built: one for the management, one for the office and CSRs, and one for the service department. And it would be introduced, and it would say, here's a pic paper, one-page paper, like can't make it 10 pages. One of you if you do that's 10 different processes. One process one page, maybe a visual on there, you put the purpose of it, the data was written, and how to do that thing step by step. And we would go over it in the service meeting during the administrative section of the service meeting. And we would introduce it that week.

Now for the next two weeks, we would go over that same process. But we would also introduce the next process and go over the one from last week. Are there any problems that people had with this? And if they did, we address that problem right then and there and make addendums or adjustments to it. And then the third week, we do the same thing. But during that time, the next week, we're introducing the second process. So now you have two processes. That third week, you're finishing up that first process, you're in the addendum part of the second process, and you're introducing a third one, and it just keeps it moving. And by then everybody learns it. And everybody passes it down and you put it in a binder or book or Trainual is a really good one. You put it in there. And people can just find things. So anytime they have a question, they can go in and type in a couple of keywords. And it'll pop up and allow them to find it. You could do this with Word, you could do it with Excel, you could also do it with Trainual, they actually specifically build Trainual well for that. Once you build all those processes, you can slowly eliminate your own job. Because every job that you have, unless it is the key

function of your company or your position, you can then push those jobs into other processes to be done by other people.

Krystal Hobbs 13:38

That makes sense. And in your coaching work, do you find that there are common hiccups that contractors have or places where they get stuck when it comes to creating processes?

Robert Matheny 13:49

It's been a lot of what you talked about - not knowing where to begin. And it's really easy because you begin with the very first problem you have that day. If you walk into your shop, and the door wasn't locked the night before, really easy to write that down, and you make a process for closing. If you're picking up the trash, and you look out there and you end up with a big pile of trash because people forgot to take it out, build a process for that. If you're going out and your guys are doing sales, not everybody can be a great salesman, but you can teach the process of sales. And once they had the process they just walked out and in a lot of cases, guys are just turning their tablets around and saying what should we do and happy customers just pick large items for purchase. So I help people build those processes. I help people build those menus depending on who they're using. Coolfront or The New Flat Rate or one of those companies and I help them put the structure in place to be able to move forward. I also help them build a CSR process because believe it or not, dispatching is a huge process that people neglect. They think it's first come first serve, but it really doesn't work that way. And it's more about making money. We call it dispatching for dollars. But it basically is about streamlining your dispatching and teaching your CSRS a better way to invoice and to make sure that you get to the right customers. Because at the end of the day, you can't always get to them all. But you can get to the right ones. Your company can be very, very successful and make a lot of money. And that's what it's all about. Let your guys do better. Allow yourself to do better.

Krystal Hobbs 15:36

So I'm curious about that. When it comes to CSR, what are some of the things that you've encountered, that contractors need help with when it comes to that team?

Robert Matheny 15:50

For the most part, they never train their CSR. They don't teach them how to communicate with customers, and they don't set up a company-wide greeting. And it's

such a little thing but it starts the process. There should be a script built for your CSRs to go through on every call. Because otherwise, they're just kind of winging it, and you don't want them to wing it, you want them to get certain types of information. You want them to book your calls in a certain way so that you can basically put your guys in the best places to make money. So if you had two people that call in and let's just say we're doing first come first serve, and the landlord calls in and one of the biggest bane of contractors are landlords because they don't want to buy anything. And if they do buy something, it is always the cheapest thing they could possibly buy. If somebody else calls in after the landlord, and he's a customer who buys \$10,000 and stuff every time he calls, the question should be which one's going first. It doesn't matter if the landlord called first. The landlord is going to buy very little with anything whereas this guy's going to buy \$10,000 and stuff today. And you got to let him buy it. It sounds like such a common sense way to do it. But people have such a hard time with it. And a lot of times the CSRs have a hard time with it because now they feel like they have to call back the customer and get yelled at by him. We teach them a methodology to not get yelled at and not to overpromise what we're going to do. And we don't even as crazy as it sounds, we don't even necessarily give them time. This blows all of their minds. They're like, you have to give a time. I'd like you don't you think you do but you don't. When do you call for the heck your cable work done? What do they tell you? They'll be there tomorrow between eight and five. We can call you 45 minutes before we show up, and we can do the same thing. And generally, what I teach CSRs to do is say, hey, what works better for you morning or afternoon? And when they answer it, you say, I'll do my best to get you on in the afternoon. You don't promise it. So by not promising it, it allows you to move to the best appointments. And if that happens to be a lousy appointment, then you put it off till tomorrow. And if another great appointment comes in, you put it off again, doesn't matter how many times you put it off, you have a lousy customer versus a great customer, you always go to the great customer first, doesn't matter how many times you have to put off the lousy customer. Most of the time they'll go to somebody else who will do first come first serve. And it becomes not your problem anymore.

Krystal Hobbs 18:34

That is so simple and smart. I don't know what else to say. I think that's great.

Robert Matheny 18:46

It really is simple. A lot of running a business is common sense. But we get caught up in these things that we've done for years and years and years and years. And we don't

think that “Hey, there's a better way to do business, there's a more automated way you can make it so this business can run itself.” And you do some of that, the Reflective Marketing. People just pay you to make them appointments to sell stuff, instead of doing it themselves to make appointments to sell stuff. And some of that is the lack of being able to market. Some of it is the lack of having good CSRs. We all recognize that you need to train a technician how to turn a wrench, right? Everybody recognizes that. We even recognize that you need to tell them how to teach them how to sell things. But they never recognize that the person on the phone needs the skill set, too. So we've done a lot of that communication, sales training, and CSR training.

Krystal Hobbs 19:46

And Rob I know automation has played a big part in building your businesses and again, getting to that point where your business isn't a prison that is part of your life, so tell us a little bit more about that. How have you used automation?

Robert Matheny 20:07

So we leverage a lot of technologies. There are a ton of them out there, everything from as silly as it sounds, but using a tablet for your technicians in the field instead of using old invoices. And what's really funny is, what I can tell you about automation is this. It's not just leveraging technology, it's leveraging processes.

So one of the things that we found was how much we're paying credit card fees. And so we searched all around so we found a rate that was a little bit lower. And if you use the little, a little chip reader when you're out in the field, and you can Bluetooth it right to your tablet, and it would take the card, and it would reduce your fees by like almost one and a quarter percent. But at the end of the year, we still had that one-quarter percent was still in there. So we had to search and figure out why.

And so I started asking the guys if we had these swipers, why are we using them? And it was almost universal that they always forget to bring it in. And when they did bring it in, when they didn't bring it in and the customer bought something they didn't want to then say stop, I have to run out to my truck, grab this reader come back loaded up. Instead, they were just like, “I'm just gonna take the credit card and key it in,” and then you can sign it because they didn't want to interrupt the sale, which made sense, you have a nice smooth process.

At the end of the day by something, you don't want to then make them rethink the whole thing by leaving and going out picking up a. So there's a little strip on the back of here,

that's a Velcro strip. Now, I don't have one on here, but all the card readers are attached. So when they open their tablets, it's right there attached to the tablet sitting right here. And it was velcroed to everybody's tablet. And all of a sudden, we added almost \$25,000 to our bottom line at the end of the year just by making it so they wouldn't forget it and they wouldn't lose it. Because before they were holding it in their hand, and doing it that way. This way it was attached directly to their tablet, and they could use it like that. And it was no big deal. And we attach it to everybody's tablet. That is simple automation. And if you look at it, how many guys are out there running credit cards right now, which should be every company, how many of them just key it in and lose that 1%, when they could simply take it as a more secure transaction and a happier customer and make a little bit more money off of that. Or even better stop losing that money. So that's just some of the simple automation that we did leverage technology like FieldEdge or ServiceTitan. And ServiceTitan is a bit of a monster because it's too big for contractors. A lot of times, you really shouldn't run it unless you have 10 trucks and somebody you can dedicate to it. But in my opinion, using those types of automation makes a big difference in your company because every process that you can make automated is one less person that has to do that job.

Krystal Hobbs 23:19

That's such an important point too because I think you're absolutely right. When we talk about automation, a lot of people think immediately of the technology, but not the processes, which are the foundation to be able to do any of that.

Robert Matheny 23:36

How often do you do that in your job? Do you automate your processes?

Krystal Hobbs 23:41

I would say above average, but there are always things that I'm like, "this is tedious and time-consuming."

Robert Matheny 23:49

There's a great writer out there. His name is Paul Akers, not really a great writer but he makes really good points, right? He wrote a book called the 2 Second Lean, which was like a big, big book. In the 2 Second Lean, he owns a company down south that makes like, I don't know what they make fasteners for paper. And what he does is he has a meeting every day. And the whole point of that meeting is to take two seconds off your day, he started to learn about automation, when he was sleeping, got up to get dressed

for work went downstairs. And he always grabbed the wrong suit out of the closet because you don't want to turn the lights on to wake his wife up. So he did these several days in a row for months and months and months. And finally, he put one of those little cap lights inside the closet. And by doing that he cut about two minutes off of his day. And then he did the math in his head. If he cut two minutes off each process that he goes through during the day, how much time will we have at the end? So a pretty good book. Check it out if you get a chance.

Krystal Hobbs 24:58

That's amazing. I will. And with the work that you do at Service Ninja, I'm curious to hear some of the success stories you guys have had because these are all a bunch of little things, but they can make a huge difference to getting somebody out of the day-to-day of their business.

Robert Matheny 25:19

There is a guy in North Carolina who love this guy who has taken automation to the extreme. Right, I've worked with him to keep creating automation once he uses the service ninjas virtual office is one of the services we offer as a virtual office virtual dispatching. We'll do your books, stuff like that, not accounting, but will do your invoicing and stuff like that and collect your money. He put in automatic garage doors, and cameras, there was a camera pointing out the door has a camera pointing at the floor. And he drew big boxes on the floor, like box one, box two, box three, box four, box five that says FedEx over here, UPS over there. When people come and make a delivery. They come up and they ring the bell. It alerts the person who's answering the phone who just happens to be not in North Carolina, but in Baltimore, they open the phone, they tell him to hold up the invoice to the camera. And they do and they take a picture of it. Then they open the gate. He says put it in box one. And so they'll carry it in, put it in box one. And they can see the big box on the floor. It's like a 10-foot by 10-foot square.

So if they're delivering heating and air conditioning equipment, he says alright, deliver the Matthews Pio to box one, deliver the Johnson Pio to box two, this goes to box three. They walk in, they put the stuff down in each particular area, and then they leave and they leave the invoice there. The owner comes by at the end of the day, makes sure stuff is ordered, right, and is where it's supposed to be, and takes about five minutes. And then he leaves. And then the next day when the installers show up. They come up, they hit the gate, and that person answered the phone and says your equipment is sitting in box one, and your parts are in box two. And so he manages to automate

almost all of his processes through cameras and remote work. And he maintains officially he maintains two employees. He has himself, he has a service tech, and he has an installer. And the installer doesn't always do install work, he does a lot of the repair work. So if there's a repair, that's going to take more than four hours, it is then pushed to the installer. And he has a second subcontract the install crew that he uses but it's all built into a big process. It's all processed, right? At the end of the call, there are certain questions he has to answer before he can be paid. And it makes it so that everything is about the process. When the guy answers the phone, he asked certain questions, he moves appointments based on that he collects payments right there. Everything is processed for him. And he's got it down to where he works about 25 to 30 hours a week. And just to kind of put a little point on it there, he did \$2.2 million last year at 32% net profit. You own a business to 32% you're like, "I've done that too." Because I'm just like, man, he cleared more money than I did. I didn't do what he was doing. And I'm teaching him how to do it. So, it's a good story, though. It really, really is good. He's from Vietnam. He's really great guy. And he's killing it. They're just building processes. And I've helped him build a sales process. I helped him build his debt process right there of equipment and delivery and dispatching, and he's doing fantastic.

Krystal Hobbs 28:54

That is an incredible story. And I think really paints the picture of what's possible when you've got that foundation of processes. And you can build technology and automation on top of that to have a business that you're not imprisoned.

Robert Matheny 29:13

You don't need to miss it at the end of the day, you can't take money with you. We all want to make money in the business is about making money. But the cost has to be to make that money can't be at the cost of your life. I see too many owners who basically stopped doing business because they're too old and sick, and they're left with nothing at the end, there is no out. You can't go get another job because nobody will hire you. Nobody wants to hire the next business owner because you'll do what you want to do and not what they want you to do. So there you go. That's the kind of problem I see with people. Some people say it's hiring. I say it's not hiring out because hiring is just a market marketing thing. Learn it, you got to hire someone I like to do that. I say it's about building your processes and making it so your business can run without you. You can own a business and make money or you can own a process and then whenever you go away for a year, your company still makes money. When you come back, there's

more money than when you left or you can own a business, and when you go away for a year, you come back, it's gone. It's broken. So then that's the question, where do you want to be?

Krystal Hobbs 30:27

I love that. And I know our listeners are going to want to learn more about you and the work you're doing with Service Ninja and everything else you've got going on. So what's the best way for them to connect with you?

Robert Matheny 30:40

You can connect to me in three different ways. One you can message [senseirob@svcninja.com](mailto:senseirob@svcninja.com). You can go to our website which is [svcninja.com](http://svcninja.com). And you can reach us that way. Or you can even do it the old-fashioned way, and just call 410-599-3682. I'll get on the phone and talk to you, I could talk to you and tell you if we can help you for free.

Krystal Hobbs 31:19

Perfect. And we will put all those links in the show notes as well. So if you're listening, you can check there to grab Rob's details. But this has been a fantastic conversation. And I think really eye-opening certainly for me. I'm taking a few things away from this and I know our listeners are going to do the same. So thank you, Rob. I really appreciate you being here.

Robert Matheny 31:43

Thank you, Krystal. I appreciate it too.

Krystal Hobbs 31:50

Hey, guys! If you love this episode, if you've learned something here from Beyond The Tools, you can actually head to our website at [beyondthetoolspodcast.com](http://beyondthetoolspodcast.com) and you can sign up to get updates whenever we have a new episode. So go to [beyondthetoolspodcast.com](http://beyondthetoolspodcast.com), you'll see the option there to sign up and we'll send you the new episodes as soon as they're released.