

- Simple Sales Strategies
- Does ACCA Have That?
- The Art of Management

Letter from the Executive

By Tom Wessner,

Hello Friends,

Spring is here and that means that we're almost a quarter of the way through 2010. It seems like just yesterday we were wishing each other a happy New Year – but time just keeps marching on (whether you're ready or not!).

As the weeks and months fly by, we here at ACCA-WPA hope you're taking advantage of everything your ACCA membership has to offer.

Whether you need advice from the experts, a peer group to help you through business challenges, updates on the latest laws, or even technical know-how, it's all available to you. Just let us know and we're here to do whatever we can to make you – and your business – a success!

Tom Wessner
ACCA-WPA President

Marketing

Calculating the Value of A Customer

By Adams Hudson

What's your company worth? It depends on how many customers are in the asset column. Oh, sure, when you hear the phrase "assets", you might be thinking cash, equipment, trucks, office furniture, warehouse ... in other words, things you own or nearly own. But don't leave out "customer relationships" in your calculations. They are also assets with an actual economic value – even if they don't show up on the spreadsheet quite the same way as physical possessions.

Maybe you've heard the buzzwords making their way through the marketing world: Lifetime Value, Lifetime Market Value, Customer Lifetime Value, Lifetime Customer Value...

These are all variations of a concept based on what you can expect a customer to spend with your company over time. "Lifetime" is a loose term, by the way – not really a life expectancy calculation of, say, 77 years, but more like a multiyear period of, say, 7 years.

The lifetime value of your customers can be calculated with complicated spreadsheets and software, or you can stick to a simple formula. For instance, let's say an average customer ticket is \$150, and he makes two transactions per year, for an average of 7 years.

The "lifetime" value is $150 \times 2 \times 7 = \2100 . (To determine lifetime "profit", you'd multiply that figure by your percentage of gross profit.)

Obviously, large-ticket replacements would send the lifetime value "way up" – and so would referrals from satisfied customers. Regardless, the principle is undeniable: a customer relationship is an asset that can be grown.

Assets can grow through their own activity – regular service, upsells, replacements – and their value is increased exponentially when their referrals set off another set of calculations. But they can also fade to zero, if customers run off with the next contractor that bats his low-priced eyes in their direction.

So look to the lifetime value as a number to be increased and reinforced. What upsells and add-ons can you make to increase the average order? And are you doing what is needed to keep a valuable customer *your* customer? For the contractor, retention marketing is always the best deal in town. (You can get a free sample of *HomeWords* the ACCA exclusive customer retention newsletter by sending your request to freeaccastuff@hudsonink.com)

Adams Hudson is ACCA's National Marketing Partner, winner of the Dan Kennedy National Sales Letter Contest, and author of Contractor Marketing Secrets. He is also available to speak at local and Chapter events.

The Season for Indoor Air Quality Services

Spring is in the air, and that's great – especially if you like pollen, allergies, sneezing and so forth. Yet the problems of springtime breathing issues also create opportunities for household breathing solutions.

One of the best times to remind customers about Indoor Air Quality issues could be when their noses are stopped up, and they're sniffing their way through the weeds the lawn just sprouted overnight. So, as you talk to customers in ads and in person, tell them what they need to know:

- Americans spend 90% of their time indoors these days.
- Indoor air often contains higher concentrations of hazardous pollutants than outdoor air.
- Indoor air pollution is one of the top five environmental risks to public health.

We've been talking about this for awhile, and the support just keeps on coming. In fact, researchers from Johns Hopkins University released a study that – not surprisingly – found an association between increasing levels of indoor particulate matter pollution and the severity of asthma symptoms among children.

They followed 150 asthmatic children for six months, using monitoring equipment to measure the air in the child's bedroom at scheduled intervals. And they came to conclusions that verify the need for IAQ services: understanding the effects of indoor air is important because children spend so much time indoors, and improving indoor air quality may also help improve asthma health.

An important part of serving others is educating them about potential problems they face and options they have to resolve these problems. So what will you do about what you know about IAQ? Tell your customers.

Educate them about the pollutants that may be building within the air in their homes, help them identify the symptoms they may have been experiencing, and let them know about the solutions you have to offer. In other words, let them know what you know, and you'll both benefit from this important exchange of information.

"I Wonder if ACCA Has That for Me?"

Not sure about a complex legal question dealing with employee pay, equipment repossession, or even labor unions?

Operating a small business and complying with the many complex laws can be a challenge. That's why ACCA members have access to general advice and support from association lawyers.

Visit www.acca.org for more information or to ask your legal question.

Yeah. ACCA has that for you.

SmartWords

"Small opportunities are often the beginning of great enterprises."

Demosthenese

Techno Tidbit

Did you know that there are now wireless thermostats that keep homeowners (and installers) from having to fish through walls for wire? Not only can thermostats be placed anywhere in the home, there's even a thermostat controller that can operate the thermostat from anywhere in the house. Check it and other advances out at: <http://www.remodeling.hw.net/hvac/thermostat-dynamics.aspx>

ACCA Benefit Highlight

Quality Installation (QI)

ACCA's Quality Installation Specification is an ANSI-approved standard that describes precisely the steps a contractor must take to ensure a truly quality HVAC installation. Developed by a broad coalition of industry stakeholders, the QI Specification identifies consensus requirements associated with quality installations, acceptable procedures for measuring or verifying the attainment of those requirements, and acceptable forms of documentation to show compliance to the requirements. The QI specification can be purchased in print form or downloaded for free at www.acca.org.

The Art of Management

Lose The Clutter

“If you can’t find something you need in 60 seconds or less, you’ve got an organization problem.” That’s one of the many truisms uncovered by Mark Matteson during his experiences “decluttering” a very cluttered office.

At first, he says, he was in the same old self-talk trap that many find themselves in (“I might need this one day...”). But then he launched a thorough effort, beginning with this question: “What are the vital elements of an effective office?”

PC and printer/fax, desk, bookshelves, filing cabinets and chair for visitors were among the items that made the list. Everything else had to go, based on a simple formula:

- 1/3 gets TOSSED
- 1/3 goes to Goodwill
- 1/3 will be re-installed

We are motivated to take action for two fundamental reasons, Matteson says: 1) Fear of loss; 2) Desire for gain. He also noted that in order to succeed, he needed to do four things:

- Decide to change.
- List the reasons for making this change (W.I.I.F.M = What's In It for Me?)
- Be accountable to someone (family, for instance)
- Take massive and immediate action

Rule Breaking 101

“What works for one company should work for yours.”

False: Whether it's marketing, sales, or management style, each company has its own personality and flair. Embrace and enhance those things that make your company different. After all, that's how you'll stand out from the competition.

News Flash

The Latest from
ACCA National

How to Turn Comfort
Complaints Into Profits
March 31, 2010
2pm Eastern

A comfort complaint from an existing customer is a challenge we all face. Knowing how to properly handle these complaints in most instances means future profits for your company and can lead to lifetime customer loyalty. In our industry, dealing with issues in an effective and efficient manner is the key to creating a unique experience for the customer. Key points and examples will be discussed on how to properly handle these difficult situations and turn a losing situation into a winning one.

About the Presenter: Keith Walker started his career in finance and accounting and has held numerous positions in the construction industry. Prior to his current position as Chief Operations Officer for Conditioned Air Corporation, Keith was Vice President for an Austin based construction and land development company with revenues exceeding \$100 million.

You can learn more about this *ComfortU* seminar at www.acca.org.



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Spring Begins March 20th!

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News & Events

March 18, 2010

No General Meeting in March.
Board Meeting Only

April 8, 2010

Personality Based Selling

Sharon Roberts (hosted by Standard Air & Lite)
Bistecca Steakhouse- 2nd floor
Meadowland Casino

May 13, 2010

Apprenticeship Night
Thinking about Attending School
Come see the facility!
Pittsburgh Technical Institute

Hot Topics

Spring Into Action

- Customer Retention should be your focus. Get your newsletter ready and into your customers' hands now.
- Allergy season is gearing up so be ready with your IAQ solutions – and let prospects now that you *have* solutions.

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