

How Do You Make Money In Drain Cleaning?

Plumbers have always treated drain cleaning as a loss leader. Making money starts with having correct pricing. Your marketing has to be workign. You need to track a metric called "reaches converted". Track whether the work is done properly, that the callback rate is low, licensing and codes were met, and that the material quality is sufficient. Techs must be held accountable.

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How does a plumbing contractor make money in the drain cleaning business? Hint: it's not about cleaning drains.

Plumbing industry master trainer Matt Smith walked members of the Service Round Table through a dozen steps to make more money in drain cleaning. Smith, president of The Contractor's Friend, spoke during the Comfortech Show here.

Plumbers have always treated drain cleaning as a loss leader, selling it at a discount in coupon mailers. The problem is that the plumber will not make any money unless he sells other work. The coupons attract a cheap customer and you can't sell value in drain cleaning because, after all, it's drain cleaning.

Making money starts with having correct pricing, Smith pointed out. While the drain cleaning itself may be a loss leader, all of the add-ons, starting with the first item, have to be priced to make a profit. You may not want drain cleaners selling; perhaps that should be passed on to a technician who has been trained to sell. If your people do not hold the line on your book prices, that's the boss' fault for letting them get away with it.

Your marketing has to be working; the call count must be sufficient; ads placed and sources tracked. The object of this, Smith said, is that once you establish a revenue target you have to know how many transactions per year you'll need to hit that target and how you will acquire those leads. Two big errors that Smith sees consistently with contractors is either not tracking relevant statistics or not doing anything with the statistics that they have.

A plumbing to-do list is the best sales tool you can create. You're in the house, so while you're there, you can do this, and that and the other thing. Shoulder seasons are a good time to show homeowners the to-do list. Homeowners will buy off your to-do list cafeteria style. They won't buy everything, but they'll buy some of it simply because you asked them.

You need to track a metric called "reaches converted." Track your inbound conversion rate versus the number of calls. Some contractors try to separate calls that aren't for service — from a manufacturers rep or somebody's spouse, for example — but that doesn't matter. If you come up with a metric of calls converted into service calls versus all calls, the number will remain consistent and you can see if it's going up or down.

Is your trip charge attenuated or fixed? You might consider no trip charge early in the morning and then ramp it up as your field people get busier and busier.

Write up an "Instant Apprentice" script. You don't want ignorant CSRs. Customers will call in and either tell a story or ask a question. The more painful the story, the easier it will be to convert them. Smith mentioned that he has a two-day class just on how CSRs should react to either stories or questions.

How many trips are converted? Sixty-eight percent of contractors who are the first guy in the driveway get the job. Are your response times adequate? Are your techs closing skills adequate?

Track "add-ons attempted." The object is to track the number of tasks per call, which circles back to your revenue projections and how many transactions per year you need to hit that revenue target.

Are the to-do lists being used? What's the rate of service agreements being sold? Smith pointed out that 16-year-olds don't really care if you want fries with that but they sell a lot by asking. Ask for add-ons whether you think people will buy them or not. The number of tasks per call is really important, he said, because an average sale dollar number doesn't give you enough information.

How many upsells are attempted? Are the dollars per task sufficient? Are the techs' product knowledge and technical ability sufficient?

Track whether the work is done properly, that the callback rate is low, licensing and codes were met, and that the material quality is sufficient.

Provide coaching. Ride along frequently and use a scoring system.

Provide training. Do you have an in-house training facility? Do you provide sales training? Are technical procedures up to date?

Recruit consistently. Make sure your ads are worded to attract candidates with the desired profile. Look all the time, not just when a truck is empty.

"When the desperate technician meets a desperate company, it's a match made in hell," Smith said.

Ask your interviewees to sing Twinkle Twinkle Little Star. It's a personality test. See how they react.

Techs must be held accountable for being in uniform, well-groomed and on-time and their pay should be based on their productivity. They will mirror the appearance of the office, which must be organized and neat. The trucks and the people are a reflection of the order of the whole business.

Finally, are your costs controlled? Track the percentage of marketing dollars, labor, and material and delivery costs. If these are out of whack versus revenue, go back to Step 1 and make sure your prices are correct.