

A Game of *Life* for Flat-Rate Contractors

***By Matt
Smith ©2024
Flat-Rate
Survival
Guides***

JUST TWELVE THINGS

The Curriculum Vitale'

In 1999, Matt Smith came to Flat-Rate as a Senior Consultant and Lead Trainer from The Friedman Group, one of the most successful retail training agencies in the world. He was quickly struck by the state of Sales Training in Flat-Rate: It was bad. Matt saw the need for a technique set that was ***ORGANIC to the Flat-Rate point-of-sale***, and not a retreaded system from some other door-to-door environment.

In March of 2000, Matt started The Contractor's Friend, and GOT IN THE TRUCK immediately. Using the framework of influence from Matt's experience and education in Training, he created the ***SALES SUMMIT TECH COURSE***. Sales Summit was one of the most heavily attended workshops in the trades for 20 years, and the curriculum is one of the most duplicated theses.

Matt's sales, management, CSR call taking, and dispatch systems have been implemented at every level of the industry throughout a 25 year public speaking and consulting arc.

Our network of Brand Ambassadors and Junior Trainers is a group of six independent trainers certified on TCF curriculum.

Today, TCF serves over 2200 contractors from Franchisees to Franchisors, Best Practices to Private Equity, Mom & Pop to massive Independents. Whatever your situation in Flat-Rate, "We solve that problem."

JUST TWELVE THINGS

This document works like a monopoly board; We start at selling price and cross “go” every time we return there, following the cyclical order in the book.

The colorized grouping is to mimic the property cards of monopoly, but the topics have no other conceptual grouping that I intended.

I’m Matt Smith, Master Trainer and President of The Contractor’s Friend Consultancy.

I believe these concepts transcend contracting and apply to many sales disciplines and cultures.

The colorful parts at the beginning and the narratives in the successive “laps” around the board are meant to give a small or new contractor (or a department manager within a large contractor) a way to diagnose their own companies or departments through a consultant’s eye.

Of course, any consultant anywhere could use this document in a cultural and operational needs assessment.

The checklists at the end refer to procedures, resources, skills, abilities or knowledge necessary to affect the pertinent topics. These things are either stand alone solutions such as a book (“How much should I charge?”), a concept, a feature, or a skillset provided in the Training Courses at The Contractor’s Friend.



Selling Price Correct?

Includes all
fixed and
variable costs?

Profitable at
break-even?

Discount/add-
on strategy
sound?



Marketing Working?

Call count
(reaches)
sufficient?

Ads placed and
sources
tracked?

Prospecting To-
Do Lists?

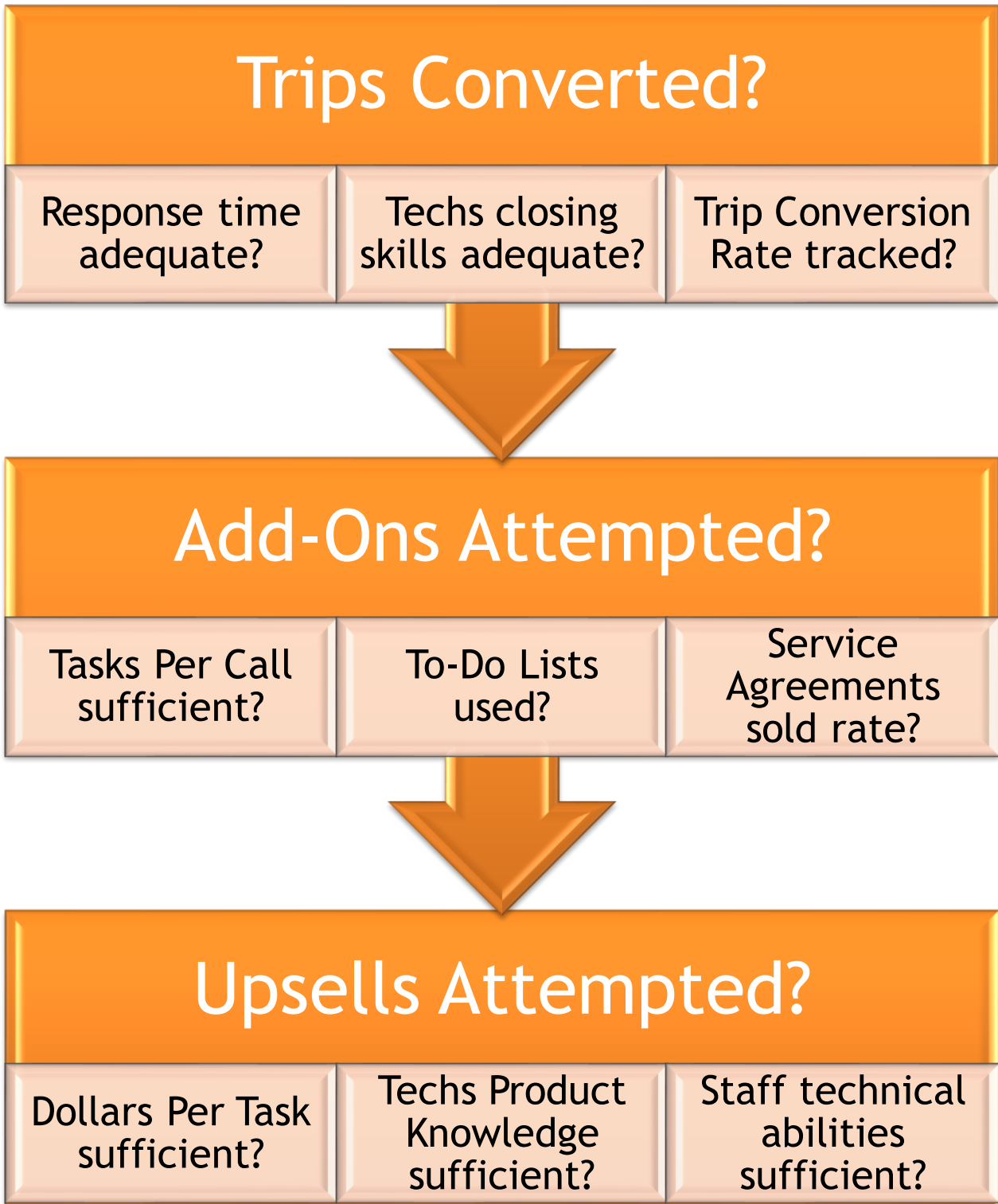


Reaches Converted?

Inbound
conversion rate
tracked?

Trip charge
attenuated or
fixed?

*Instant
Apprentice*
script in use?



Work Done Properly?

Recall rate
acceptable?

Licensing and
codes met?

Material quality
sufficient?



Coaching Provided?

Ride alongs
frequent?

Scoring System
implemented?

Stats tracked
precisely?



Training Provided?

Formal Sales
Training
system?

In-House
Training
Center?

Procedures up
to date?

Recruiting Consistently?

Ongoing Talent Search?

Interview procedures effective?

Ads attracting "profile candidates"?



Techs Held Accountable?

Uniform, grooming and timeliness?

Productivity-based pay? Benefits?

Cleanliness and organization?



Costs Controlled?

Marketing % within range?

Labor % within range?

Material/delivery costs within range?

Selling Price Correct?

Includes all
fixed and
variable
costs?

Profitable at
break-even?

Discount/add-
on strategy
sound?

- **Includes all fixed and variable costs?**

Have you built your costs thoroughly enough to catch all of the broad strokes you'll need to take? How about the cost of training and retention, just to name two commonly overlooked and underfunded costs. It is not just labor, material and marketing.

- **Profitable at break-even?**

Have you calculated your break-even to be profitable at your lowest selling price? Don't merely cover your costs; run a first class company with all of the benefits that come with jobs that aren't nearly as tough.

- **Discount/add-on strategy sound?**

It is pretty critical that the performance of the Techs in the field matches the pricing strategy described in the break-even. Is your discount or add-on policy too generous? Too rigid? Do you offer only earned discounts? Or do you give the Techs discretion...

Marketing Working?

Call count
(reaches)
sufficient?

Ads placed
and
sources
tracked?

Prospecting
To-Do Lists?

- **Call count (reaches) sufficient?**

Within your market you have many places from which your promotions can attract customers. Regardless of where your calls are generated, are there enough overall to convert to opportunities (which shrinks the overall number)? And after that, enough left to convert to invoices (assuming a constant average sale)? Is there enough population in your market responding to your ads?

- **Ads placed and sources tracked?**

It's easy to see that money can go down the drain fast in advertising if the ad doesn't generate any business. Whatever the necessary devices, measure your call counts to see where your ad dollars are best spent.

- **Prospecting To-Do Lists?**

It may seem strange to consider what is really an operational discipline (To-Do Lists *required* on every call) as an important piece of your marketing effort, but you'll be glad you run a disciplined shop when the "shoulder season" rolls around and you have mounds of To-Do Lists to prospect.

Reaches Converted?

**Inbound
conversion
rate
tracked?**

**Trip
charge
attenuated
or fixed?**

***Instant
Apprentice
script in
use?***

- **Inbound Conversion Rate tracked?**

One of the most important variables within our market strategy is the effectiveness of inbound call handling. We spend sizeable portions of our budgets on advertising; tracking the effectiveness of the call process itself is critical to survival. A reach doesn't mean an opportunity unless we convert it to one.

- **Trip charge attenuated or fixed?**

I don't know of any contractors getting wealthy on their trip charges. The trip charge is used not primarily as a line item revenue center, but as a call qualifier.

- ***Instant Apprentice script in use?***

"Hey how much is it to replace an outlet?" "What's your hourly rate?" If you struggle with the language of flat-rate and the nature of the call process, your operation takes a hit in credibility. If the best a CSR can do is say "I'm not a technician", then we have put a most critically funded part of our operation in the hands of an overwhelmed and untrained individual, and it becomes obvious to the customer at this point.

Trips Converted?

**Response
time
adequate?**

**Techs
closing
skills
adequate?**

**Trip
Conversion
Rate
tracked?**

- **Response Time adequate?**

It is a liability for a service contractor to attempt “by appointment” style operations. A more sensible approach is the “service window”. How do you reconcile the need to be timely with your essential profit directive of add-on sales? Are you tracking Billable Hour Efficiency and holding the dispatch personnel accountable for it?

- **Techs closing skills adequate?**

This business requires Technicians to be at least somewhat assertive with respect to seeing that customers are given options and asked to buy. Can your Techs close? Can they talk about Upfront Pricing in a way that is advantageous?

- **Trip Conversion Rate tracked?**

One of the essential benchmarks for the establishment of a long-term career in sales is the ability to convert the job at hand. It is both essential and basic, as we would expect this skill to develop first, followed by more difficult selling skills like adding on, upselling, turning over, and personal trade.

Add-Ons Attempted?

**Tasks Per
Call
sufficient?**

**To-Do Lists
used?**

**Service
Agreements
sold rate?**

- **Tasks Per Call sufficient?**

Once the basic skill of converting a call to an invoice (however small) has been demonstrated, the number of Tasks Per Call becomes the target stat. This stat is an indication of the Techs willingness and ability to add tasks to jobs.

- **To-Do lists used?**

The To-Do List approach represents the Techs best chance to do 3 high-level selling acts with the customer: It clearly puts the choice in the hands of the customer, it gives the customer options, and it gives the customer and the Tech the luxury of a scope of work and pricing discussion before any invoices are present.

- **Service Agreements sold rate?**

Would you rather sell to an existing customer who understands the advantages of convenience and service or go look for new ones? One important retention device in the strategy is the offering of Service Agreements.

Upsells Attempted?

**Dollars Per
Task
sufficient?**

**Techs
Product
Knowledge
sufficient?**

**Staff
technical
abilities
sufficient?**

- **Dollars Per Task sufficient?**

This statistic represents the ability and willingness of the Technician to sell the best materials and longest warranties, an effort not to discount too much or too often, and an overall valuable customer experience.

- **Techs Product Knowledge sufficient?**

What skills are necessary to establish the value and rationale behind our best materials, equipment, and warranties? Great product knowledge, along with an overall awareness of the marketplace's competitors and their strengths and weaknesses gives the Tech a leg up in value.

- **Staff technical abilities sufficient?**

The biggest liability to a selling Tech can be his technical prowess. All the product knowledge in the world won't make the stuff install itself. A Tech needs to be more than just a good mechanic; he needs to have a conductor-like gene in him. At the very least, a good skills inventory will point him (and you) in the right direction for training.

Work Done Properly?

**Recall rate
acceptable?**

**Licensing
and codes
met?**

**Material
quality
sufficient?**

- **Recall rate acceptable?**

The key stat for indications of technical deficiency is the rate of re-call on work which does not satisfy the customer or operate properly. The percentage should be tracked collectively and individually.

- **Licensing and codes met?**

Some contractors get bogged down in permitting and inspection. Sound practices for seeing that our work meets codes and permit requirements is the mark of an excellent contractor.

- **Material quality sufficient?**

The price of material has been less than stable recently and historically. With so many manufacturers and supply houses to choose from, contractors can become seduced by big discounts for what will end up being sub-par materials. A wiser choice is the implementation of a first-class re-branding and merchandising system which allows for all quality levels to be held to a minimum standard.

Coaching Provided?

Ride alongs
frequent?

Scoring
System
implemented?

Stats tracked
precisely?

- **Ride-alongs frequent?**

No Service Manager can be certain that company standards are being upheld in the field without an ongoing frequent ride along and jobsite visitation program. Infrequent ride alongs tend to produce unreliable results because the Tech naturally does things he may be skipping over if he weren't under scrutiny.

- **Scoring system implemented?**

Well-run and accountable companies share their team and individual results through public displays of goals and stats. A professional batter knows his batting average up to the at-bat. A business without a scoreboard is not a selling organization.

- **Stats tracked precisely?**

The two most important things a Tech can commit to when undertaking salesmanship as a craft are to tell his manger the truth about what happens in the field even if it's gory, and to do exactly what the service manager asks him to do to improve. Armed with this mandate and *precise* statistics, no Service Manager should fail to get a sales increase.

Training Provided?

Formal
Sales
Training
system?

In-House
Training
Center?

Procedures
up to
date?

- **In-house sales training system?**

No team that succeeds does so without a plan. Without “one right way” to make a sales process go, the results are very inconsistent. Every coach and trainer needs a model which emulates the custom selling process.

- **In-house Training Center?**

How do you know a Technician can actually do the work he claims he can do? Do you test him? Have any of them come in the door trained to do it *your way*?

- **Procedures up to date?**

People tend to lose sight of the fact that procedures are continually evolving. They also fail to recognize sales *as an operation*. So if it is wise and reasonable to document a procedure for timeliness, cleanliness, orderliness, or salesmanship, then surely proceduralizing our mechanical operations in the field is not only wise, but mandated by our customers and employees alike.

Recruiting Consistently?

Ongoing
Talent
Search?

Interview
procedures
effective?

Ads
attracting
"profile
candidates"?

- **Ongoing talent search?**

Do you wait until you're staring at an empty van to begin recruiting? Face it: recruiting and hiring is not an interruption of your job; it's some of the most important work you'll do. An ongoing recruiting program can have a sobering effect on your current employees as well as give you the temerity to hold standards high.

- **Interview procedures effective?**

Do you spend more time answering questions than listening in interviews? Do you sell your company first or let the applicant sell you first? If your interviewing practices don't identify the best candidates, they are ready for the tar pits.

- **Ads attracting "profile candidates"?**

The best employees are those who already have a job. Who are you actually reaching with your ads? Are they the workforce you want to hire?

Techs Held Accountable?

Uniform,
grooming and
timeliness?

Productivity-
based pay?
Benefits?

Cleanliness
and
organization?

- **Uniform, grooming and timeliness?**

There is no good reason to believe the manager can create more sales if the manager can't get these easier operational things handled routinely.

- **Productivity-based pay?**

Accountability is a two-way street. People like to be rewarded for doing a great job and being dedicated to their companies. The only way to be fair in a performance-based culture is to arrange your tech's pay so that he can earn according to his talents and skills.

- **Cleanliness and organization?**

Cleanliness and organization are considered the biggest indicators of how well a shop handles accountability overall. There is absolutely a correlation between the cleanliness of a shop and the discipline practiced within.

Costs controlled?

Marketing %
within range?

Labor % within
range?

Material/delivery
costs within
range?

- **Marketing % within range?**

Marketing costs can get hairy. Ultimately, if your marketing budget is providing enough reaches for the dollar, there are more efficient ways to create sales increases than growing your marketing budget. Why would you advertise to find more customers so you can not sell to them too?

- **Labor % within range?**

The easiest cost to lose control of is undoubtedly labor. Some fixation on the amount of money it takes to have the necessary skilled labor on hand is recommended either through a commission or through a sliding hourly scale based on sales and also efficiency.

- **Material/delivery costs within range?**

Consider the cost of material. Consider the cost of not having the right material on hand. Besides the added fuel for pickup, the interruption to the process of the day can be damaging to more than one customer. Every part we don't have with us is another cost waiting to spiral. Ultimately, if costs are running higher than acceptable percentages, look into your selling price!

Selling Price Correct?

Includes all
fixed and
variable
costs?

Profitable at
break-even?

Discount/add-
on strategy
sound?

Resources/Procedures:

- ✓ ["How Much Should I Charge?"](#)
- ✓ Service Titan/Housecall Pro/Field Edge
- ✓ [Display and Merchandising](#)
- ✓ [Service Agreement](#)
- ✓ [Discounting](#)
- ✓ [Task Grid](#)

Marketing Working?

Call count
(reaches)
sufficient?

Ads placed
and
sources
tracked?

Prospecting
To-Do Lists?

Resources/Procedures:

- ✓ [WWW](#)
- ✓ [Radio](#)
- ✓ [ROP](#)
- ✓ [Home Shows](#)
- ✓ [TV](#)
- ✓ [Associations](#)
- ✓ [To-Do Lists](#)
- ✓ Sources
- ✓ [Streaming Services](#)

Reaches Converted?

Inbound
conversion
rate
tracked?

Trip
charge
attenuated
or fixed?

*Instant
Apprentice*
script in
use?

Resources/Procedures:

- ✓ [Inbound CR](#)
- ✓ [AI Chatbots for Missed Calls](#)
- ✓ Phone System
- ✓ [Emergency Calls](#)
- ✓ [After Hours Calls](#)
- ✓ [Instant Apprentice](#)
- ✓ [Trip/Dispatch/Fuel Fees](#)
- ✓ [CSR Scorekeeping](#)
- ✓ [Scheduling Fees](#)
- ✓ [Free Estimates](#)
- ✓ [Dispatch Priorities](#)
- ✓ [Billable Hour Efficiency](#)

Trips Converted?

Response
time
adequate?

Techs
closing
skills
adequate?

Trip
Conversion
Rate
tracked?

Resources/Procedures:

- ✓ [Windows versus Appointments](#)
- ✓ [Formal Sales System](#)
- ✓ [Conversion Rate Benchmarks](#)
- ✓ [Recalls](#)
- ✓ [Diagnostic Fees](#)
- ✓ [Return Authorizations](#)
- ✓ [Assigning Credit for Sales](#)
- ✓ [Tech Generated Leads](#)
- ✓ [Financing](#)
- ✓ [Same Day Service](#)
- ✓ [Free Estimates](#)

Add-Ons Attempted?

Tasks Per
Call
sufficient?

To-Do Lists
used?

Service
Agreements
sold rate?

Resources/Procedures:

- ✓ [Task per Call Benchmarks](#)
- ✓ [To-Do List Strategies](#)
- ✓ [Sundries](#)
- ✓ [Extended Warranties](#)
- ✓ [Service Agreements](#)
- ✓ [Add-on Discount Policies](#)

Upsells Attempted?

Dollars Per
Task
sufficient?

Techs
Product
Knowledge
sufficient?

Staff
technical
abilities
sufficient?

Resources/Procedures:

- ✓ [Dollars per Task Benchmarks](#)
- ✓ [Product Knowledge Devices](#)
- ✓ [Field Manuals](#)
- ✓ [Price Guides](#)
- ✓ [Inspections](#)
- ✓ [Add-on Discount Policies](#)
- ✓ [Customer Supplied Parts](#)
- ✓ [Assurance Plans](#)

Work Done Properly?

Recall rate
acceptable?

Licensing
and codes
met?

Material
quality
sufficient?

Resources and Procedures:

- ✓ [Recall Rate Targets](#)
- ✓ [Recall Policies](#)
- ✓ Licensing
- ✓ Permitting
- ✓ Inventory Control
- ✓ Quality Control
- ✓ [Extended Warranties](#)
- ✓ [Procedures/Field Guides](#)

Coaching Provided?

Ride alongs
frequent?

Scoring
System
implemented?

Stats tracked
precisely?

Resources and Procedures:

- ✓ [Ride Along Reports](#)
- ✓ [Job Site Inspections](#)
- ✓ [Graphic Goals](#)
- ✓ [General Sales Rallies](#)
- ✓ [Rewards & Consequences](#)
- ✓ [Statistical Tracking](#)
- ✓ [Coaching Calculator](#)
- ✓ [3-Step Behavioral Technique](#)

Training Provided?

Formal
Sales
Training
system?

In-House
Training
Center?

Procedures
up to
date?

Resources/Procedures:

- ✓ [New Hire Introductory Training](#)
- ✓ [Individual Skills Inventory](#)
- ✓ [Formal Selling System Implementation](#)
- ✓ [Training Center Implementation](#)
- ✓ [Operations Manual](#)
- ✓ [Price Manual](#)
- ✓ [Installation Manual](#)
- ✓ [Evidence Manual](#)
- ✓ [Emergency Manual](#)

Recruiting Consistently?

Ongoing
Talent
Search?

Interview
procedures
effective?

Ads
attracting
"profile
candidates"?

Resources/Procedures:

- ✓ [The Future is Now](#)
- ✓ [Radio](#)
- ✓ [Streaming Services](#)
- ✓ [Letters to Licensed Tradespeople](#)
- ✓ [Interviewing](#)
- ✓ Legal
- ✓ [Profiles](#)
- ✓ [Message Cards](#)
- ✓ The Resume Sites

Techs Held Accountable?

Uniform,
grooming and
timeliness?

Productivity-
based pay?
Benefits?

Cleanliness
and
organization?

Resources/Procedures:

- ✓ [Discipline: Timeliness, Cleanliness, Orderliness](#)
- ✓ [Progressive Discipline Policies](#)
- ✓ Commission
- ✓ Hourly
- ✓ [“Hit Either One”](#)
- ✓ [Tools and Trucks](#)

Costs controlled?

Marketing %
within range?

Labor % within
range?

Material/delivery
costs within
range?

Resources/Procedures:

- ✓ [Marketing](#)
- ✓ [Advertising](#)
- ✓ Labor
- ✓ [Commission](#)
- ✓ [Payroll Burden](#)
- ✓ [Material](#)
- ✓ [Delivery and Fuel](#)
- ✓ [Margins](#)
- ✓ [Lease Traffic Differential](#)



Conversion Rate

Average Sale

\$ in Your Business

There's no third thing.