

## Price Yourself For Profit

*By Adams Hudson*

Hello Friends,

It's hard to believe that 2011 is drawing to a close. It seems like I just got started a few months ago! Hopefully this year has been as productive for you as it has been for us here at the Austin Chapter.

We've been working hard this year to give you the tools you need to be successful. And that's even more important as the industry continues to face new and unforeseen economic challenges.

Hopefully you're ready for the challenges – and opportunities – the new year represents. If not, let us know what we can do to help. Training, technical, legal, and marketing expertise are yours for the asking. Hope to hear from you soon, even if it's just to say hello.

Cynthia Sanders  
*Executive Director*  
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Some of you probably feel that your customers won't appreciate or understand a price increase. If so, please know that the only cure for this self-imposed guilt trip is to realize it is NOT illegal or immoral to distinguish yourself from your competition in ways other than what color truck you drive.

Hey, all of you buy similar equipment for similar prices from similar sources. Don't bore me – or your customers – with why “your” brand is superior right now. Your customers don't care... yet.

All that customers care about is getting their problem solved. “Fix me!” is their collective cry. If you THINK your customers will say, “Fix me at the cheapest price possible or else,” then you have my permission to let them go “or-elsewhere” for a kid with two left hands, a rusty pair of channel-locks and a job ticket written on a fast-food napkin.

Distinguish yourself by a higher degree of value and benefit. Faster service, more service, longer service, better guarantees, etc. There are 3 ways and only 3 ways to do this: More convenience, higher value, lower risk. Do all of these and you're beyond the crowd... and deserving of more dollars as a result.

Price your jobs for profit. Your ideal retail replacement margins should be 50-55% gross. You know what your industry is charging, and now you need to ask yourself if you're worth it.

Think of it this way. Your attorney charges \$200 an hour. Your accountant is at \$125. How many fires have they spotted? How many water-ruined homes? How many CO poisonings? Not many I'd guess.

If you've done any of these things, you've shown integrity, respect, and caring. If that's not worth more than your current paycheck, I don't know what is.

Don't keep your prices low simply to “fit in” with the competition. Your mission is to give a value to your customers. That's all that matters.

*Adams Hudson is ACCA's National Marketing Partner. You can request his free marketing ezine and free marketing reports by emailing [FreeACCAstuff@hudsonink.com](mailto:FreeACCAstuff@hudsonink.com).*

## Know What You're Selling

What are you really selling? Before you answer, let's talk about what you're *not* selling. You're not selling air conditioning and heating.

Can you imagine coming across a customer in a Southern state who asks, "Why would I need air conditioning?" Can you imagine any customer in a Northern state asking, "Why would I need a heating unit in my home?"

Though climate control was once only for the wealthy, air conditioning and heating are now seen as necessities in almost all U.S. households and businesses.

Do you think that because you're selling a "necessity" your job should be easy? Do you think that since air conditioning and heating needs are here to stay, your business is too? The simple answer is: only if you know what you're selling.

Since HVAC units have become a requirement for nearly every building, the consumer does not just demand a unit. They demand:

1. Trustworthy service from a reliable dealer (46% cite as their *primary purchasing reason*.)
2. Features *that translate into* benefits to them (23%)
3. Excellent quality, brand-name products (15%)
4. Price (11%)
5. Other (5%)

You should be encouraged reading that list – especially notice that "price" was #4 on the list. Yes, that's the little number that all weak salespeople claim is the reason that "all my customers are buying from so-and-so..."

The point is, maybe "so-and-so" explains his products better, sounds more credible, gives better guarantees AND has a price that translates into higher value.

If you don't believe me (or my half brain), then I'd be willing to bet that your company is in for some rocky times. If you *do* believe this, then you must do one or more of the following:

- Change your marketing to target more customers who are less price-resistant.
- Increase your *product benefits* to increase your competitive advantage.
- Learn how to clearly communicate your superiority in value-oriented terms to the customer.

Do all three and you win – and win big. No competition can withstand this "triple threat" except for the weak-kneed response to lower prices. Believe me, customers do want to save money, but they don't want cheap. Sell them value – not cheapness – and they'll buy.

ACCA has announced the launch of a new Radiant & Hydronics Council (RHC) to provide specific services to this vital segment of the HVACR industry.

The constantly changing indoor environment sector requires contractors of all kinds to master a wide variety of technologies; including air, hydronic, solar, geothermal, and many other alternative energy services.

For more information, contact Kimya Bailey Cajchun at [radiant@acca.org](mailto:radiant@acca.org) or 703-824-8845.

Yeah. ACCA has that for you.

### SmartWords

"I don't know the key to success, but the key to failure is trying to please everybody."

Bill Cosby

### Manual S – Residential Equipment Selection

Manual S shows you how to select and size heating and cooling equipment for any job.

**List Price: \$57.69**

**Member Price: \$40.39**

Members Save \$17!

Product Code: 36

Get your copy of Manual S at

## Online Groups

ACCA's Online Groups offer a robust, custom system that allows members of various groups to communicate with each other through online messaging, including the uploading and downloading of files and documents. For each group you belong to, you can choose whether or not to receive email notifications, and how often (per message, daily digest, or weekly digest). Our Networks are open to all members to join, allowing for free exchange of ideas and answers. Our Private Groups allow for committees, chapters, MIX Groups and other closed groups to communicate confidentially. You can see which groups you have access to at My ACCA.

## It's A "Quality User" Kind Of Thing

You'll be hearing that phrase more in the future. It is an emerging trend in business that begs us to identify the brightest, most influential, quality conscious of our market groups. For you, it would be those customers who you feel are representative of a forward thinker, or an astute businessperson, or clearly a rational member of a large group of customers.

Build excellent relationships with them... ask for their ideas... even ask them to critique you, your company, your approach, on how things could move swifter or better. Very small cash incentives or inexpensive gifts (such as movie passes, meals, or a free Clean and Check) are usually enough to lubricate the flow of ideas such as...

What do you feel "quality" is? Some may say "product," some may say "service" some may say "reliability." This elusive subject of quality is perceived differently by all different types of consumers, and if you're pushing "service" on "product oriented" buyers, you're missing the boat. And most likely many sales.

The perception of quality is EXACTLY what the customer perceives it is. Nothing more, nothing less. The average customer will be right about quality because he is the end user of quality. Whether you use brass, nylon or zinc fittings may not be as important to him as whether the outdoor unit is attractive or not.

Ask your customers what they think quality is and you can get an entirely

***"Being rejected by a prospect means you're a poor salesperson."***

**FALSE:** Accept the fact that you will get "no" for an answer. Don't take it personally. Even the best salespeople don't have a 100% closing ratio so let it go. Remember, every "no" brings you closer to a "yes" – but you'll never get there if you give up.

## The Latest from ACCA National

**NATE/gas furnace  
Refresher Class &  
Testing  
Rockville, MD  
December 10, 2011**

NATE (North American Technician Excellence) is the leading certification program for technicians in HVAC industry.

The Core Exam covers safety, tools, soft skills, principles of heat transfer, total comfort, and electrical. An HVAC technician must pass the Core Exam and at least one of the Specialty Exams to become a Certified Technician.

There are five separate Specialty Exams – air conditioning, air distribution, gas heating, heat pumps, and oil heating. There are two types: installation and service (service technicians are automatically certified as installation technicians, as well).

The Core Exam consists of 50 questions and each Specialty Exam consists of 100 questions. Test timing for the Core Exam and one Specialty Exam is a maximum of 4 hours.

For more information or

1. ABC Home and Commercial Services
2. \*ACES Supply, **Robert Arroyo, Member**
3. Air Pro, Inc.
4. Airtech Energy Systems, Inc.
5. American Conservation & Air
6. Ameriprise Financial
7. AmTech Mechanical
8. AprilAire
9. ARS Service Express #9132
10. Austin Energy
11. Blackall Mechanical Inc.
12. Blue Air
13. \*BP Heating and Air, **Bill Potts, President**
14. Centex Mechanical, Inc.
15. Central Services
16. Comfort RX
17. Cornerstone Heating & Air, LLC
18. Covenant Air Conditioning and Heating
19. Curbc0
20. Davis Service Company
21. Diagnostic Experts of Austin DBA Hanks Service
22. Faight Service Company, Inc.
23. Federated Insurance
24. First Cardinal of Texas
25. Fox Service Company
26. Gemaire
27. \*Gemini Mechanical, **Michael Creamer, Consultant**
28. Goodman Distributing
29. \*Higginbotham & Assoc Insurance, **Parker Holt, Member**
30. \*INCE Distributing, **Stan Penna, Member**
31. \*INSCO Supply, **Robert McCorcle, Member**
32. Johnstone Supply
33. K & M Environmental
34. Kudzu
35. Lakeway Air Conditioning & Heating LLC
36. \*Landry Service Co., **David Landry, Ex-officio**
37. M & M Manufacturing
38. MAP Mechanical
39. \*McCullough Heating & Air, **Al D'Andrea, Treasurer**
40. Morrison Supply
41. Oasis Services, LLC
42. \*Quality Living Services, **KC Walters, Vice President**
43. Robert Madden Industries
44. Russ Purcell Mechanical Contracting, LLC
45. Schlueter Electric & Refrigeration
46. SK Air, Inc. DBA 1+ Services
47. Stan's Heating & Air Conditioning, Inc.
48. Strand Brothers
49. Tejas Air & Heat
50. Tex-Air Filters
51. TM Air Conditioning & Heating
52. Trades, Inc.
53. Vic's Heat & Air
54. Whorton Insurance

\*Indicates ACCA Austin

## 2012 Board of Directors Announced

**Austin, TX** – The Austin Chapter of Air Conditioning Contractors of America (ACCA) – has announced the results of the annual Board elections for 2012.

Currently, Bill Potts, BP Heat and Air, is serving as Board President, with KC Walters, Quality Living Services, serving as Vice President, and Al D'Andrea, McCullough Heating & Air Conditioning serving as Secretary/Treasurer. In addition, five other businessmen sit on this year's edition of the board, all of whom will rotate off the board November 2011.

ACCA Austin wishes to acknowledge with gratitude and appreciation the many years of work and support these men have devoted to the Chapter, they are:

David Landry, Landry Service Co.  
 Stan Penna, Ince Distributing  
 Robert McCorcle, InSCO Supply  
 Robert Arroyo, Aces Supply  
 Parker Holt, Higginbotham & Associates Insurance

“We are pleased to announce that Larry Sellers of Faight Service Company, Michael Luker of Covenant Air Conditioning and Heating, Kathy Mundahl of Air Pro Inc., and Tom Turner of Austin Energy have been elected to fill the vacancies on the Board” said Bill Potts. All four bring extensive professional experience and ACCA Austin looks forward to working with them over their terms effective December 1, 2011.

## 2012 ACCA Austin Board of Directors

(new members indicated in bold)

Al D'Andera, *President, McCullough Heating & AC*  
 KC Walters, *Vice President, Quality Living Services*  
**Larry Sellers, Secretary/Treasurer, Faight Service Co.**  
**Michael Luker, One Year Director, Covenant AC & Heat**  
**Kathy Mundahl, Two Year Director, Air Pro, Inc.**  
**Tom Turner, Three Year Director, Austin Energy**  
 Bill Potts, *Ex-officio, BP Heating and Air*

Outgoing Board Members were presented with plaques of gratitude for their service, and new incoming Board Members were welcomed to their terms of service during the 2011 December Riverboat Gambler Party.