

A companion to: How to Grow an HVAC Business – 17 Proven, Practical, and Actionable Strategies for HVAC Companies

FOUNDATION: BUSINESS STRATEGY AND POSITIONING

Strategic Planning (Owner-Led)

- ☐ Write out five Unique Selling Propositions (USPs).
- ☐ Ensure at least two USPs are truly unique and cannot be claimed by competitors.
- ☐ Communicate your USPs to all employees. Be sure they understand them completely.
- ☐ Write or revise your mission and vision statements to reflect your USPs.
- ☐ Identify your “Perfect Customer Profile” using attributes such as income, property type, ZIP code, age of home, business type, and other factors you deem important.
- ☐ Ensure your USPs align with your Perfect Customer Profile.

Pricing Strategy (Owner-Led, CPA Involved)

- ☐ Set service prices based on cost-accounting principles—not guesswork.
- ☐ Use different markup rates for labor and MESO (materials, equipment, subcontractors, and other).
- ☐ Ensure labor pricing covers all overhead and provides strong profit margins.
- ☐ Purchase and implement Labor Rate Builder Pro® or a similar pricing tool.

FINANCIAL MANAGEMENT

Accounting & Financial Control (Delegated with Oversight)

- ☐ Hire a full-charge bookkeeper with HVAC or construction industry experience.
- ☐ Partner with a CPA who understands contracting and job costing.
- ☐ Replace your chart of accounts with one tailored for HVAC businesses.
- ☐ Define each department that generates revenue (e.g., Demand Service, Replacements, Agreements).
- ☐ Set up departmental income statements.

Financial Reporting & Review (Owner-Led)

Learn to read and interpret your:

- ☐ Balance Sheet
- ☐ Income Statement (by department)
- ☐ Cash Flow Statement

Track these key performance indicators (KPIs):

- ☐ Gross profit by department
- ☐ Labor as a percentage of revenue
- ☐ Customer Lifetime Value (CLV)
- ☐ Average ticket amount
- ☐ Sales closure rate
- ☐ Average revenue per sales opportunity
- ☐ Number of new customers added
- ☐ Number of active customers

OPERATIONS AND SOPS

Field Service Systems (Collaborative – GM/Service Manager)

- ☐ Implement or replace your flat-rate pricing system.
- ☐ Set a company goal to increase the average service ticket.
- ☐ Create the SOP: "Managing Work Orders and Invoicing in the Field."
- ☐ Train technicians on the SOP.

Train technicians on:

- ☐ Performing thorough inspections and complete repair solutions.
- ☐ Ethical upselling and service presentation.
- ☐ Proper use of the flat-rate pricing system.

Company-Wide SOPs (Delegated)

Assign managers to write SOPs for key functions:

- ☐ Scheduling and dispatching in the office

- ☐ Work order management and collections in the field
- ☐ Selling equipment replacements
- ☐ Selling and renewing service agreements

💡 Tip: Store and manage SOPs in a centralized, accessible location. Distribute printed copies and/or PDFs—not the original Word document.

PEOPLE AND CULTURE

Staffing and HR (Delegated to HR Manager with Owner Approval)

- ☐ Create a better method to interview and select prospective employees.
- ☐ Create 30- and 60-day plans for onboarding and evaluating new employees.
- ☐ Implement a company policy manual.
- ☐ Conduct a full compensation review across all roles.

Implement performance-based pay plans:

- ☐ Pay salespeople based on gross or net profit.
- ☐ Pay technicians more for billable time than non-billable time.
- ☐ Use flat-rate book time as the basis for technician compensation.
- ☐ Update job descriptions and compensation plans accordingly.

Training and Improvement (Collaborative)

- ☐ Provide soft skills training for technicians, especially on customer presentation.
- ☐ Enroll managers and key staff in leadership and financial literacy training.
- ☐ Require monthly learning sessions on business and technical topics.
- ☐ Support participation in HVAC business conferences and events.
- ☐ Teach the “Think Like an Airplane Mechanic” concept.

MARKETING AND SALES

Marketing Systems (Delegated to Marketing Manager or Vendor)

- ☐ Hire or contract a professional SEO specialist.
- ☐ Implement or upgrade your CRM system.
- ☐ Launch marketing campaigns for past customers.

Rebuild or optimize your website to:

- ☐ Reflect USPs
- ☐ Target your Perfect Customer Profile
- ☐ Improve search engine visibility

Track and review marketing KPIs:

- ☐ Number of qualified leads generated
- ☐ Cost per lead
- ☐ Cost per sale
- ☐ Campaign close rate

Sales Enablement (Owner-Led with Sales Manager)

- ☐ Create professional-looking upgrade menus and service options.
- ☐ Train staff to present those options with confidence and integrity.
- ☐ Design incentives to increase service agreement conversions and repeat business.
- ☐ Create incentives to increase upgrades and options that are in the customer's best interest.

LEADERSHIP AND VISION

Leadership and Accountability (Owner-Led)

- ☐ Set performance expectations and KPIs for each role.
- ☐ Conduct monthly 1:1s and quarterly performance reviews.
- ☐ Publicly recognize outstanding performance.

- ☐ Address underperformance early and privately.

Communication and Appearance (Company-Wide)

- ☐ Set company-wide expectations for professional appearance.
- ☐ Provide training in written and verbal communication skills.
- ☐ Require all employees to represent the company with professionalism.

Community Presence and Authority Building (Owner-Led or Delegated)

- ☐ Develop a content calendar for blogs, videos, and social media.
- ☐ Position yourself as your area's HVAC expert with local media appearances.
- ☐ Dress and speak in ways that support your professional image.

TECHNOLOGY AND TOOLS

Digital Infrastructure (Delegated to IT or Operations)

- ☐ Audit all existing software (dispatching, accounting, CRM, inventory).
- ☐ Remove redundant or outdated systems.
- ☐ Train employees on full use of current software tools.
- ☐ Track software usage metrics (e.g., login rates, feature use).

CHANGE MANAGEMENT AND INNOVATION

Embrace Change and Drive Innovation (Owner-Led)

- ☐ Host quarterly brainstorming sessions for process improvements.
- ☐ Encourage staff to identify inefficiencies or outdated practices.
- ☐ Challenge "impossible" claims and request documentation or alternatives.
- ☐ Stay updated on industry innovations and competitor activity.

IMPORTANT REMINDER: TOP 3 PRIORITIES TO BEGIN

- ☐ Define your Unique Selling Proposition (USP).
- ☐ Identify and refine your Perfect Customer Profile.
- ☐ Optimize pricing to ensure strong labor profit margins and scalable revenue.