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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92057941
Party	Defendant Barnaby Heating & Air
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EXHIBIT 10

Vista Shield

Is it Possible?

Dreams and goals are as diverse as people. Everyone has their own reasons for doing things. Everyone has their own goals they want to achieve. Take starting a business, for example. Everyone who starts a business has a different dream for their business. Some want a large income. Some want to build wealth to sell the business. Some merely want a living, while others want something to pass on to their children.

No matter what your dream is for your business, though, there is really only one way to reach it — profit. For the independent contractor to grow and succeed, you must profit. Profit is how your company grows. It is how you can afford to buy your technicians clean uniforms and new trucks. It is how you pay your employees the top wages in the market and provide them with benefits. It is how you stay in business through the years to service your clients and their warranties. To meet your goals in contracting, you must have profit.

With that in mind, though, profit may not be the goal of everyone in the contracting industry. For independent contractors, profit is the pathway to your goals. But do the big box retailers, manufacturers, home warranty companies, and utility companies have the same goals? Are they simply looking to make a profit in the HVAC industry, or is it possible they're after something more? Is it possible that immediate profit might not be their first target? Is it possible that it might be you and your clients?

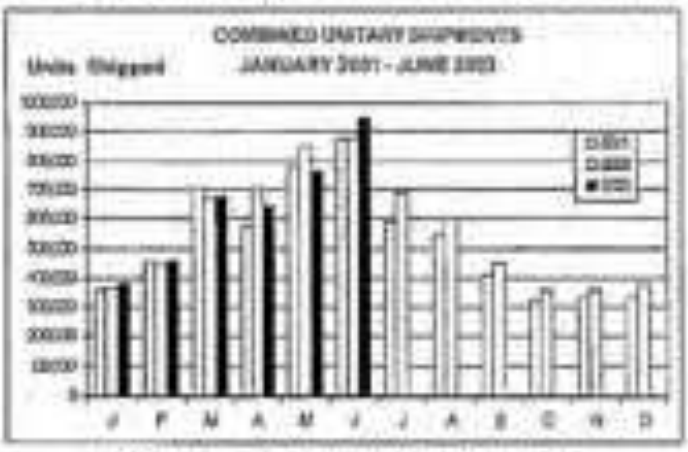
Is it possible that replacements will become commoditized?

Your business is based on customer service. By servicing your clients throughout the years, you've built a service base. From that base comes the opportunities for replacements that drive your revenue and profits. By putting your emphasis on service, you've drawn clients to you that you'll be able to service for years.

What happens when the companies participating in the retail game are in the business for another reason besides immediate profit? Is it possible that the big box retailers and the manufacturers are attempting to take your biggest profit item — replacement sales — away from you?

The total number of HVAC systems sold in the United States has not increased dramatically over the last decade or so. After the replacement boom, the industry has reached a plateau.

*Chart provided by the Air-Conditioning and Refrigeration Institute



Unitary Shipments, January 2001 - June 2003

With the HVAC pie holding steady, how are manufacturers and big box retailers going to increase their share? The answer is by taking someone else's piece.

To do that, is it possible that manufacturers could be heading toward selling their units straight through the big box retailers? Is it possible they won't depend on your business built on service to drive their sales in the future? Is it possible they may decide to drive sales themselves by focusing directly to the consumer at the retail level and eliminating the contractor's replacement sale opportunity? Then when the customer buys a unit at one of these retail outlets, where does the service come from? It will come from you: the independent contractor. The manufacturers and the big boxes reap the benefits of the equipment sale, while they subcontract the labor out to you.

Is it possible that this could happen? Is it possible that your service could become your only choice for future survival in this industry?

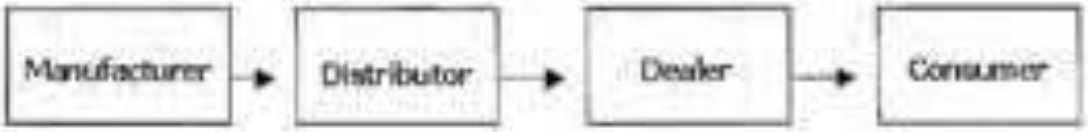
Is it possible that HVAC systems will go the way of the VCR?

Think back to the 1980s. VCRs were everywhere and they were the hot item. Everyone was getting one. If yours happened to break down, where did you turn? You turned to a VCR repairman. After all, it was much cheaper to get yours repaired rather than buy a new one. The prices of VCRs back then were astronomical compared to today. Fast forward to today. If you still have a VCR today and it breaks down, where do you turn? Chances are, you turn right to the dumpster and toss it in. They aren't worth repairing anymore. Why spend the money to repair an old VCR when you could buy a new one for about the same amount. VCRs, like other home appliances, have become disposable commodities. When one breaks, we throw it away and get a new one because the price has been driven so low.

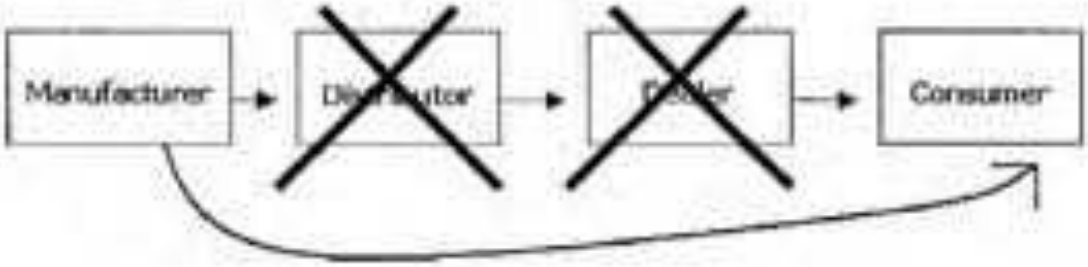
As a result, you would probably be hard pressed to find a VCR repairman anywhere around. TV repairmen, too, used to flourish. Now, they are a rare breed. Their service is no longer needed. Why repair when you can buy new?

Is it possible that HVAC equipment will face the same fate? Is it possible that this is what manufacturers have in mind? Their goal is to sell as much of their equipment as possible. That's how they increase their share of the pie. What better way to do that than by making HVAC equipment a disposable commodity? Is it possible that consumers will simply buy a new HVAC system whenever theirs breaks down instead of repairing it?

How could that ever happen? By manufacturers eliminating the channels of distribution. Today, when a manufacturer wants to sell a system, it goes to a distributor. From there, it goes to a dealer where it is finally sold to a client. Each channel in the system takes a piece of the pie away from the manufacturer. To increase profits while lowering consumer costs, is it possible manufacturers could go right to the consumer? Haven't they already started to?



By eliminating the middleman, isn't it possible that manufacturers could drive the price of equipment so low that it would become a disposable commodity? Without having to worry about giving a slice to a distributor and an independent contractor, a manufacturer could charge a price in the future that would capture the interest of your clients before they even think of repairing their system.



What's worse would be the fact that as the manufacturers sell more and more equipment directly to consumers, they'll be taking away your largest profit point — replacements. Replacement sales are what drive the revenue and profits of an HVAC company, but if manufacturers cut you out of the loop, you'll be only left to offer service and repair to the people of your community. But who will come calling when a new system is so cheap? If they are successful at driving down the price of the equipment, then you will lose the big ticket, big profit replacement opportunities you enjoy today.

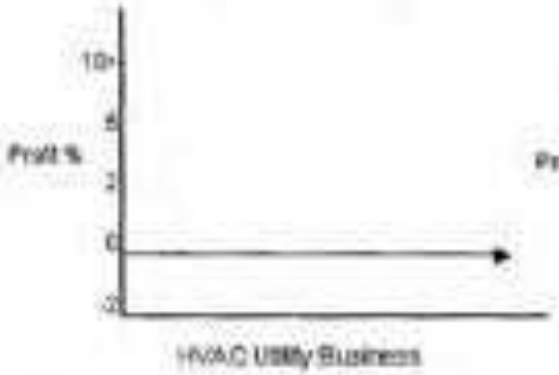
Service and repair goes out the window, as the manufacturers' equipment sales go through the roof. Is it possible?

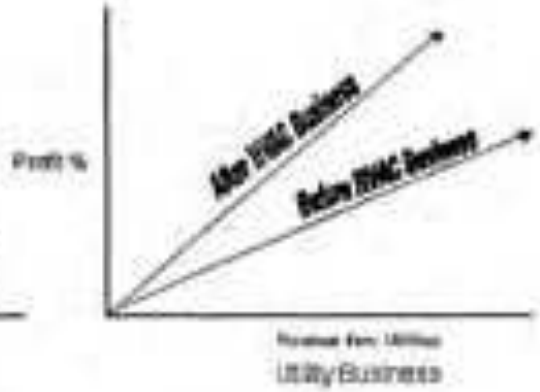
Is it possible they'll want to keep systems alive longer?

Another player in the expanded HVAC competition are the utility companies. What do they have in mind in the HVAC industry? Is it possible they are simply looking to sell more utilities?

Just like every industry, utility companies are fighting for clients. To do so, are they willing to not generate a profit on their HVAC service as a way of capturing clients? Could they simply be tying clients to them with service so they will use their electricity and gas?

Those are a utility company's main two components — electricity and gas. And one of your home's main users of both is your HVAC system. To increase their share of the utility market, is it possible those companies are willing to lose money on their HVAC service by offering HVAC at a low price as long as you buy utilities from them? Some are even leasing furnaces to their clients as a way to increase the number of people buying gas from them. It's a marketing strategy to ensure that they continue to grow their utility revenue by adding clients through HVAC service.





However, utility companies may not have their client's best interest at heart. If their goal is to increase their utility consumption, would they be concerned about replacing inefficient and worn systems? Would they be concerned with servicing a system to ensure that it is running properly? Is it possible they would simply keep older systems alive so that they consume more electricity and gas?

You know that logic dictates an old system should be replaced, but that is because your client's best interest is on your mind. Is it possible that something else is on the mind of the utility companies?

Is it possible some will want as few repairs as possible?

A fourth competitor in the HVAC market may have a different objective altogether. The home warranty companies don't make their money from equipment sales. They don't make their money from HVAC service. In fact, they make their money when nothing happens. When clients need to repair and replace their systems, that's when the warranty companies lose out.

Is it possible these companies will try to keep service to a minimum while replacements become scarce? Their objective is to do as few repairs as possible. With that in mind, the more clients they take out of the market with their warranties, the more clients you will never be able to reach. Is it possible home warranty companies could eliminate clients from the service and replacement pool?

What will happen

It is true that all of these are hypothetical examples of what we may face in the future of the HVAC industry. They may come true and they may not. We don't know.

What we do know is that the industry does change. The only constant in the world is change, and the HVAC industry is no different. Throughout the history of the HVAC industry, there have been numerous opportunity cycles that have come and gone:

New Construction Opportunity Cycle

When the new construction boom happened, most contractors started making their money in here. Homes were being built with HVAC systems installed, and this provided contractors with the opportunity for profit.

Add-on Market Opportunity Cycle

After the new construction boom, the focus of the industry turned to the add-on market. All of the homes built before the boom were suddenly antiquated. They needed HVAC systems to keep up with everyone else, so independent contractors stepped in to fill that void and create huge profits.

Service Agreements Opportunity Cycle

The next cycle occurred when service agreements became prevalent. Contractors started offering these agreements to gain access to the next great opportunity — the replacement opportunity cycle.

Replacement Opportunity Cycle

Soon, all of the homes built during the construction boom needed replacement systems for their older, inefficient ones. Suddenly, the replacement market erupted, and another burst of opportunity happened for the independent contractor.

Client Partnership Opportunity Cycle

Could this be the next Opportunity Cycle in our industry where clients become more concerned with time than they are with money? Clients will be looking for a partnership with an HVAC company where both parties have the same vested interest in protecting their HVAC system from aggravating and annoying breakdowns.

What we've witnessed is that if you took advantage of each opportunity cycle at the beginning, you flourished. However, if you caught on to the cycle at its tail end, you probably earned a living, but you were probably living in the past and wishing that things would just go back to "the old way."

Profit Cycle

Today, this constant change is still happening. Today, a new cycle could be dawning, and to reap the rewards and opportunities it offers, you must be a visionary. You must lead in the process of change and become a driver of the HVAC industry. Those reactionary opportunists who fail to capitalize on this cycle will end up as road kill on the highway of progress as the opportunity passes them by. This new opportunity cycle is client partnerships.

It's a partnership where you and your clients both have a vested interest in making sure their equipment doesn't break down.

Is it possible for you to thrive despite all of this?

When you look at all of the things that may be possible in the future of the HVAC, what about your dream? What about your ability to create the profits you'll need to grow, provide for your employees, and service your clients? Will you be able to generate those profits if these other scenarios come true?

The answer to that question is that it is possible. You can generate the revenue, profits, and growth you'll need for the future, but you have to start focusing on it today. There is only one way to protect your growth in the future. You must develop these client partnerships where you share the same vested interest as your clients.

Think of your competition. Their revenue opportunity comes when a system breaks down. They are waiting for the systems in their market to break down so they can repair or replace them. For the first time, these client partnerships will place the HVAC contractor and the client on the same side. Both will be working to prolong the life of the system in your client's home, and your client will know that you aren't just waiting for something to break. They'll know that you are dedicated to making sure that nothing breaks. They'll know that you're both in the fight together to protect their comfort, and from that partnership comes your opportunity to achieve dominance.

Is it possible to succeed in the future?

It is possible with Vista Shield...

Vista Shield

Protecting today for tomorrow's growth

Your success is built upon one thing — your clients. Without your clients, you'll have no one to serve. With no one to serve, you'll generate no revenue. With no revenue, it won't be long before you're forced to close your doors.

Since your success hinges on your clients, the only real question to ask about your success and your future is, "How many clients do I have?"

You may be quick to answer with the number listed in your customer database, but that's most likely not the real answer you should be thinking about. In fact the real question that your success hinges on is, "How many club memberships do I have?" because you actually only have as many clients as you have club memberships.

How many clients do you have? If you have a database of 1,000 clients, but only ten of them are part of your club, you have 10 clients. The other 990 could leave you at any moment and never call you again for service. In fact, they may have already left you, and you may not even know it. Without a club membership, those clients aren't tied to your company. There's no relationship tying them to you. There's no shield protecting them from a competitor's attack. Your future is left wide open and unprotected to be threatened by competition and attrition.

Club memberships are the tie that binds your clients to you into the future. A shepherd may have a huge flock, but they are truly not tied to him. They are free to roam, and in that roaming they may fall prey to wolves that lie in wait. The wolves are coming to your industry, and the only way to protect your clients from becoming their prey is by creating your Vista Shield.

Instead of leaving your clients and your future open to the threat of competition and attrition, club memberships will allow you to create a shield that will protect your vista or vision of the future. What is your vision of the future? Is it one of prosperity and profits, or is it one of debt and dismay? If it's prosperity and profits, then there is only one way to get there — club memberships.

Without club memberships as the foundation for your company, you'll slowly drift into the realm of debt and dismay. It may not be today, but it will happen over time. Why?

Without club memberships:

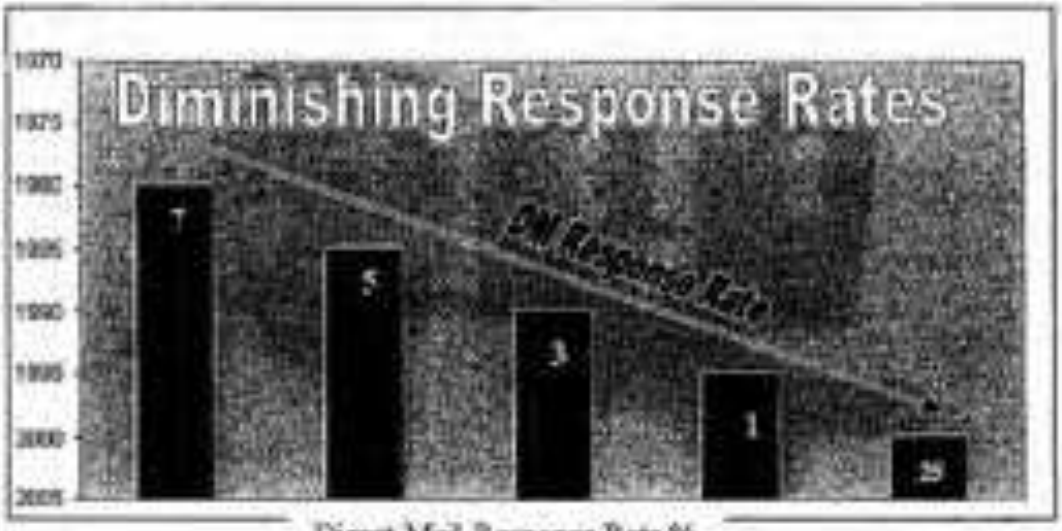
- **Your clients will be susceptible to raids:** Without the protection of club memberships, your clients will be susceptible to the mounting competition of the changing HVAC industry. From Big Boxes and manufacturers to home-warranty companies and utilities, they are all aiming at capturing your clients. You can't hope to compete in a marketing battle with the budgets of these behemoths, so the only way to keep your client base from being raided is with club memberships.

  Without club memberships to tie your clients to you, they may wander to a competitor who sends them a competing offer. No matter how long they have used your services in the past, unless a client is under a club membership agreement with you, there is nothing tying them to you, and all it takes is one competing offer to pull them away.

  With the independent contractor's piece of the pie continuing to be eaten away by the competition, club memberships are the only way to protect your clients and your piece of the pie from being raided.

- **Your marketing costs will rise:** There are only a certain number of clients in any given marketplace. The challenge is that there are now more companies fighting for the same clients. With the presence of the "Giants" who are now entering the game, there are more companies advertising to your client than ever before. The effectiveness of your direct mail and newspaper campaigns will continue to diminish as consumers are inundated with the cluttered mass of marketing messages from retailers who have huge advertising budgets. If you do not change your marketing plan to include Club Memberships, you will have to spend more per client because of this decline in direct response marketing. And if you are spending more on direct response marketing, then you have less to spend on branding yourself in your marketplace.

*Provided by the Direct Marketing Association

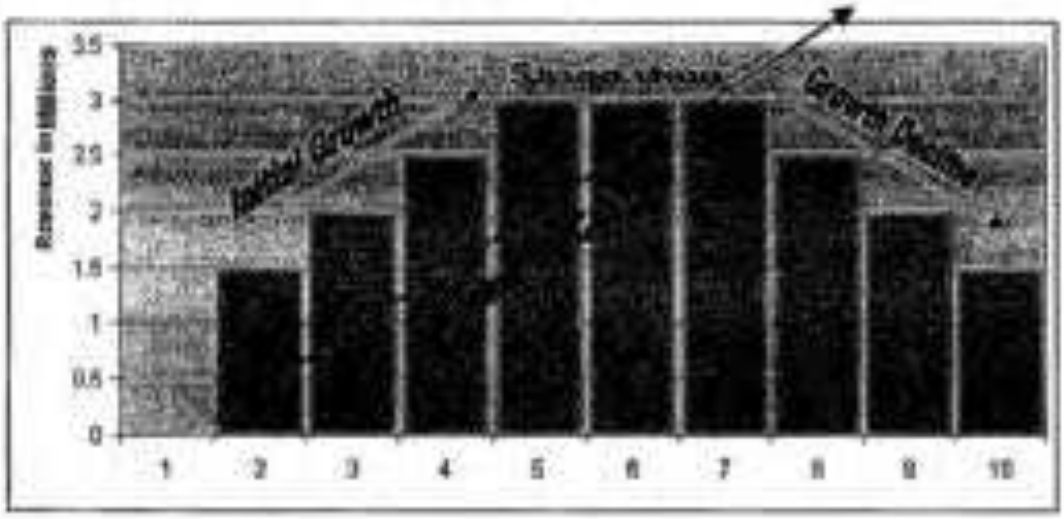


Direct Mail Response Rate %

- **Your growth will stagnate:** The way to grow in the service business is to increase the number of clients you do business with. However, if you are losing clients left and right, then each new client you win only replaces one you lost. No matter how hard you try, you will lose some clients. Some will move away. Some will die. Some will fall victim to competitor raid or make friendships with another company. However, without club memberships you'll be losing more clients than normal because there is nothing tying them to you. There is no opportunity for growth, and your revenue will quickly plateau out as you run in place to find new clients to replace old ones.

- **Your opportunity will be lost:** The key to replacements in the future is through service. Without a large pool of service clients through club memberships, you will have little ammunition to fight the battle against the Big Box retailers, the utility companies, and your local competitors. And they are coming with their guns loaded to capture your clients. These "Giants" have "nuclear" marketing budgets that can permeate your market place. And don't forget…their objectives are not necessarily the same as yours. Some are looking to commoditize the HVAC replacement, which could destroy your opportunity to compete at their level. The margins you need to generate to create profits may not be available if that happens.

- **Your revenue will decrease:** As your growth stagnates, your marketing expenses increase, and your response rates decrease, your profits will soon be plummeting. With fewer clients to serve, you'll have fewer jobs to run and fewer replacement opportunities to seize. With fewer opportunities, you'll be creating less revenue while spending even more of it on marketing to find new opportunities that already have been taken by the competition. If your growth stagnates, you won't be able to compensate for it with higher marketing costs because those costs will drive your profit down. You also won't be able to bring in enough clients to compensate for the ones you're losing.



- **Your techs will jump ship.** With growth stagnating, revenues declining, and your clients leaving, your technicians won't be far behind. Without the bonus potential of the club memberships to keep them earning residual income, your technicians will see that your ship is going down, and they won't hesitate to jump ship. They'll jump ship because things get slow, and they see your company moving backward.

Simply put, the future of your company without club memberships looks bleak. The competition for the client is intensifying. You must protect yours *now* while you have a chance. By protecting your clients now, each *new* client you add will be bringing increased revenue to your company instead of replacing a client that just left. You'll start attracting even more clients and tying them to you with club memberships, too. It all starts by building your Vista Shield around club memberships.

It Might Not Be What You Think

You may be saying to yourself right now, "I already do club memberships. I don't have to worry." The truth is that many AirTime members aren't using club memberships fully in their business, and some others are using an inferior version of the current club membership. While these versions of club memberships are better than nothing, they fail to produce the desired objective for future success.

If you are using club memberships right now, are you using the silver, gold, and platinum levels based on monthly credit or debit payments from your clients? If not, you may be using an Energy Savings Agreement, a maintenance agreement, or some other service agreement. These agreements have the sound of a club membership, but they don't offer all of the advantages of club memberships.

ESA or Agreement Cons

Creates an Accounting Nightmare:

The old-school type agreements are normally based on your client buying a 1-, 2-, or 3-year contract with you. Each contract constitutes two tune-up visits each year. But these agreements are best known for leaving an accounting nightmare in their wake. Clients under these agreements may be prepaying for their 1, 2, or 3 years. They may be partially paying up front. They may be getting billed on the first visit under the contract. They may ask you to bill them for the next three years. Keeping track of the possibilities and accounting for them becomes simply mind numbing.

Must Renew at the End of the Agreement:

Then there is the difficult fact of renewal. Unlike club memberships, these agreements have a definitive end date when the client's contract has expired. At that time, you must contact the client about a renewal. That means you'll have to resell them on joining the program. Your technicians have to become salesmen on virtually every visit, asking for money when they are in the home. If not your techs, then your CCR will have to undertake the difficult process of trying to get a renewal over the phone where there is no value present.

High Cancellation Rate

All in all, the need for renewals leads to an incredible cancellation rate for the old-style service agreement. After the customer receives the last tune-up, they now have an out. The initial objection is left to be dealt with by the technician. If the tech doesn't renew the agreement, then it becomes harder to get in touch with the customer. As more time passes, the customer forgets about the value and why they need to renew. You have your CCRs call and call and then finally give up when the customer does not respond. You move these customers into the "non-agreement" file and accept them as cancelled ESA or cancelled agreement customers. But when those clients cancel, the shield is now down, and the competition can move in.

Increases Manpower Hours — Labor Goes UP

Initially, when you think about this con, it doesn't seem like a big deal. But multiply it by the number of agreements you have over a period of years, then the numbers will jump out at you. The biggest expense you have to control on your Income Statement is labor. And the more productive your people are, the lower this expense or percentage will be. What part does labor play in an ESA or agreement:

1. Technician has to spend time in the home to resell agreement. Approximately 15-20 minutes on every renewal to communicate value and fill out paperwork.
2. CCR has to pick up the phone to call the customers who didn't renew with the technician. They probably have to make at least three or four attempts to reach the client.
3. Bookkeeper has to track 1-, 2-, and 3-year agreements, cancellation dates, partial paid agreement, and full-pay agreements, send out invoices if they don't renew, and send out statements if they don't respond to invoices. The tracking and processing is very time consuming.

No retirement for Technician:

There's also very little incentive for the technicians in the agreement programs as well. Sure, they get a spiff at the beginning, but they have to go through the painful process of pushing for renewals just for the hope of getting a spiff in the future. And even the future spiff is not guaranteed, nor is it usually as much as the original spiff. Due to the dispatching priority schedule, it may be necessary to send out a different technician to renew the agreement, therefore leaving the tech who originally sold the agreement no opportunity for the second spiff.

Summary of ESAs or Agreements:

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

How strong is your Vista-Shield?

1.	97% of our agreements are charged to the customer via credit card or debited to their bank account each month.	Yes	No
2.	Our technicians do not have to worry about renewing our maintenance agreements.	Yes	No
3.	Our program has a built-in residual income for the tech for each agreement that they get the customer happily involved in.	Yes	No
4.	I have agreements that offer my client discounts, priority service, and a replacement savings opportunity.	Yes	No
5.	I have a separate money market bank account set up for my Club program and manage my cash flow to make sure I have the funds necessary to pay the expenses related to the future services I must provide to the customer.	Yes	No
6.	My CCRs do not have to make phone calls to the client to renew their agreement.	Yes	No
7.	My bookkeeper does not send out invoices or statements for our Club program.	Yes	No
8.	My agreement cancellation rate is less than 10%.	Yes	No
9.	My technicians and CCRs love our current agreement program.	Yes	No
10.	I schedule my tune-ups at off peak times.	Yes	No

Rating Scale:

7-10 Yes – Protected

4-6 Yes – Shield is Weak

1-3 Yes – Your Shield is Down

The Club Membership Advantage

Advantages for your clients...

Manage their costs

Club memberships allow your clients to budget their comfort into their life. Instead of being hit with a huge repair bill at the wrong time, a club membership allows your clients to invest a manageable amount into the club so they are covered for future repairs.

Reduces breakdowns

With tune-ups and safety inspections, your clients can act proactively to head off breakdowns before they occur. The regular maintenance that club memberships offer will keep their system in good working order.

Decreases utility bills

With regular maintenance, your clients' systems can remain at near factory-fresh condition for longer. They will run more efficiently, which will save your clients money on their utility payments.

Extends the life of the system

Just as regular oil changes will extend the life of your car, regular maintenance on your client's system will keep it running smoother for longer.

Establishes a partnership

Rather than an "us and them" mentality, you and your clients become a team, or club, dedicated to protecting their comfort. Your client will know that they can trust your recommendations and that you'll be there for them.

Priority service

With the platinum membership, your clients get elite service and the assurance that you'll handle their concerns that day. With the gold membership, they have the assurance that you'll handle their concern in 24 hours. Either scenario gives your club members the kind of priority service that they would not enjoy otherwise.

Build a replacement fund

If your clients invest in a platinum membership, they are able to build a replacement fund with their unused credit balance. When the time comes to replace their system, they'll have some money tucked away already to put toward it.

Peace of mind

Nothing is more priceless than peace of mind. Your clients won't have to worry about their system breaking down. They won't have to worry about paying too much on utilities. They won't have to worry about paying for expensive repairs.

100% return on investment

Every dime your clients invest in the club memberships comes back to them in some fashion, whether it's the free tune-ups, free repairs, or in the case of the platinum club, a fund for a future replacement.

Advantages for You and Your Team....

The Renewal Challenge is Eliminated

With club memberships, there is no sticky renewal process. Once your clients are part of the Club, they remain part of the club unless they decide they want to cancel. But if you are showing them the type of service and care that a club member should receive, the value of the club should be quite apparent. Since they are always part of the club, your techs won't have to bother with renewing a contract each year, and your CCRs won't have to worry about trying to get a renewal over the phone.

Easier Accounting System

In fact, you won't even have to worry about the accounting nightmare other agreements create. With club memberships, accounting is a snap...or a swipe. Each month, the membership dues for being in the club are debited from your client's account or charged to their credit card. You don't have to worry about accounting for partial payments, and you'll never have to worry about billing.

Lower Cancellation Rates

Because of the monthly credit card or direct bank account charge, the customer gets accustomed to paying to be a part of the Club. This collection process and method of billing has been working in other industries for years. Magazine subscriptions, internet service providers, and mail order services (book of the month) use a monthly accounting system that automatically collects the fee from the customer right out of their checking account or credit card. Statistics show that when billed this way, consumers are less likely to cancel the service because the monthly fee is nominal compared to other expenses they incur, they aren't getting a paper bill they have to pay, and it is convenient for them.

Lower Labor Percentage

Since there is no renewal process involved with club memberships, your labor percentage will decrease dramatically since it will require fewer man hours to maintain your program. Your technicians won't have to invest time in your clients' homes trying

to get them to renew. Your CCR won't have to spend time on the phone going after renewals. The easier accounting system will mean less work for your bookkeepers. Not to mention, there will simply be less paperwork for you to try to manage.

Monthly Cash Infusion

For your business, club memberships mean an instant, renewing cash infusion into your business each month. If you have 1,000 clients in club memberships at the gold level, they'll each be paying approximately $20 each month. That means each month, without running an expensive marketing campaign or working overtime calls, you're generating $20,000 in revenue. You will have to run maintenance calls for your club members and perform any repairs that fall or spring under the guidelines of the club. As long as you manage your cash flow to make sure you have cash to pay the technician the month the service is performed for the customer, you can use your cash to retire debt or run marketing campaigns.

Technician Retirement Program

Once your technicians understand the power of club memberships on their future, they should be chomping at the bit to get clients involved in the Club. The residual income opportunity for a technician with the club is tremendous. Not only does the technician receive a bonus when the client initially enrolls in the Club, but they also receive a bonus on the anniversary date of that client each year. After 10 years of involving clients in the club, a technician could be bringing in residual income of $10,000 or more each year simply from the number of clients in the Club. That's a $10,000, or more, bonus each year before they have even worked a single hour. If your technician saved and invested that bonus each year, your clients would be funding most of their retirement!

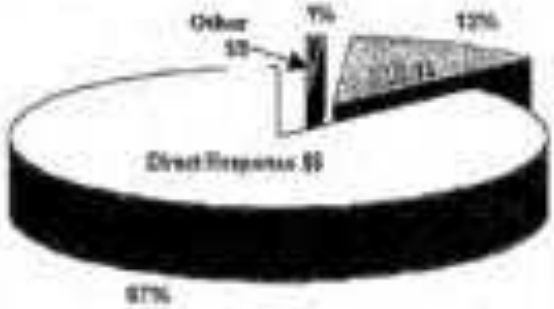
Technician Retainer

Would any technician want to leave a job where they are earning $10,000 in extra income each year? Doubtful. The residual income your technicians will earn from the club memberships makes it difficult for another company to recruit your technician away by offering them one or two more dollars an hour just because they are desperate for help.

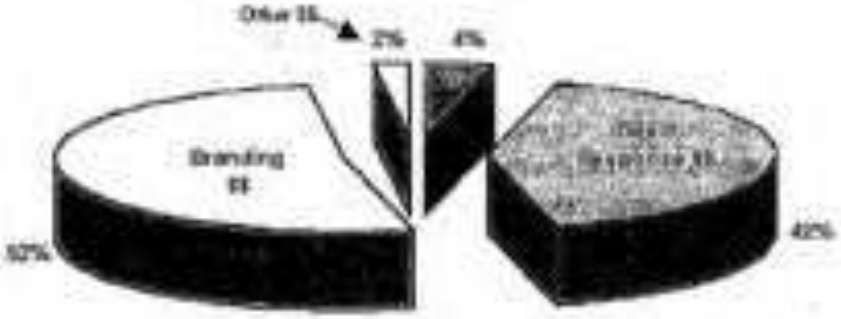
Less on Marketing, More on Branding

With more and more clients retained with your company under the club, you won't have to spend more and more to find new clients just to stay afloat. Now, each new client you add will bring additional revenue to you, instead of replacing revenue that left. By spending less on direct mail and newspapers, you'll be able to concentrate more of your marketing dollars on branding for the future. By branding your name in your market, more and more people will become aware of your presence, and, once they're aware, they'll be more apt to call you. So, club memberships allow you to build for the future with branding rather than scrambling to fill the callboard today with direct mail and newspaper offers.

Marketing Allocations BEFORE Club Memberships

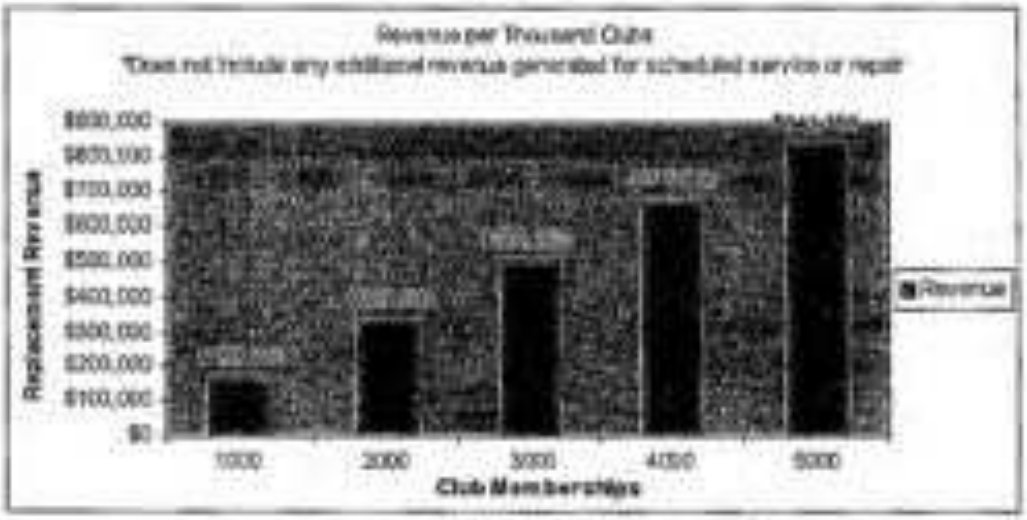


Marketing Allocations AFTER Club Memberships



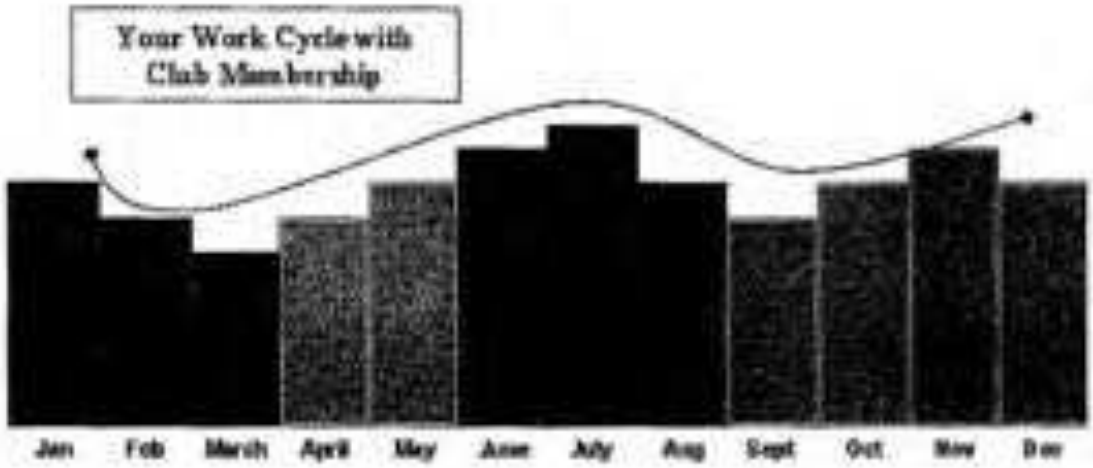
A Wider Window of Opportunity

We've established that service is going to be the key to replacements in the future. When you have clients in your Club, you have a service base established. It's reasonable to think that out of your service base, there will certainly be several clients who will need a system replaced each year. When they do, they'll come to you where they are part of the Club. If you have 1000 members of your club, there's a high probability that 1 in 20 will consider replacement this year. That gives you 50 leads, and if you are closing at a 75% rate, a realistic number for club memberships, you would be generating $168,750 in replacement revenue based on a $4500 average sale. As the number of clients in your club grows, so does your window of opportunity for gaining those replacements. As your club memberships grow each year, so will the replacements generated from your club and by your service calls.



Peaks And Valleys Are Leveled Out

Club memberships also provide your technicians with service calls when times are a little slower. They allow you to even out the workload of your technicians. There are bound to be slow times in whatever climate you operate in, and these slow times are when you should perform your scheduled service calls (tune-ups). By running your scheduled service in the slow periods of the year, you'll have your technicians ready to take advantage of service and replacement opportunities during the busy months of the year.



Gain New Customers

The best time of the year to gain new customers is in the heat of summer and the cold of winter. This is the time when most people are experiencing breakdowns. Now you may be thinking, I am too busy with my own clients at this time to take new customers. But let's analyze this statement. If you have many of your clients on a Club Membership and you perform a *rejuvenation* in the Spring or Fall (when you are slower), what is the likelihood that your clients' system will break down in the summer or winter? It is substantially reduced. Most repairs can be avoided with proper maintenance, and if your technicians are recommending to your clients to go ahead and fix the pitted contactor or the thermocouple at the time of their tune-up, then the client is less likely to experience a breakdown during the busiest times of the year. In fact, by sharing your client's option with them, some will even choose to have their system replaced during the slow times to avoid the rush of the summer or winter. And yes, some clients will need repairs in the summer or winter, but if you can minimize these repairs, you will be free to take the service calls that are coming in from customers looking for a service company to help them quickly. You can capture your competitions' customers right out from under their noses while they run tune-ups in the busy season.

Exponential Growth

All of this leads to one big reason to use club memberships in your business — exponential growth. Nothing will mean more to the future of your company than growth, and club memberships virtually ensure that. Without clients in your Club, you'll become stagnant as revenues and morale decline. However, club memberships set you up for exponential growth in the future.

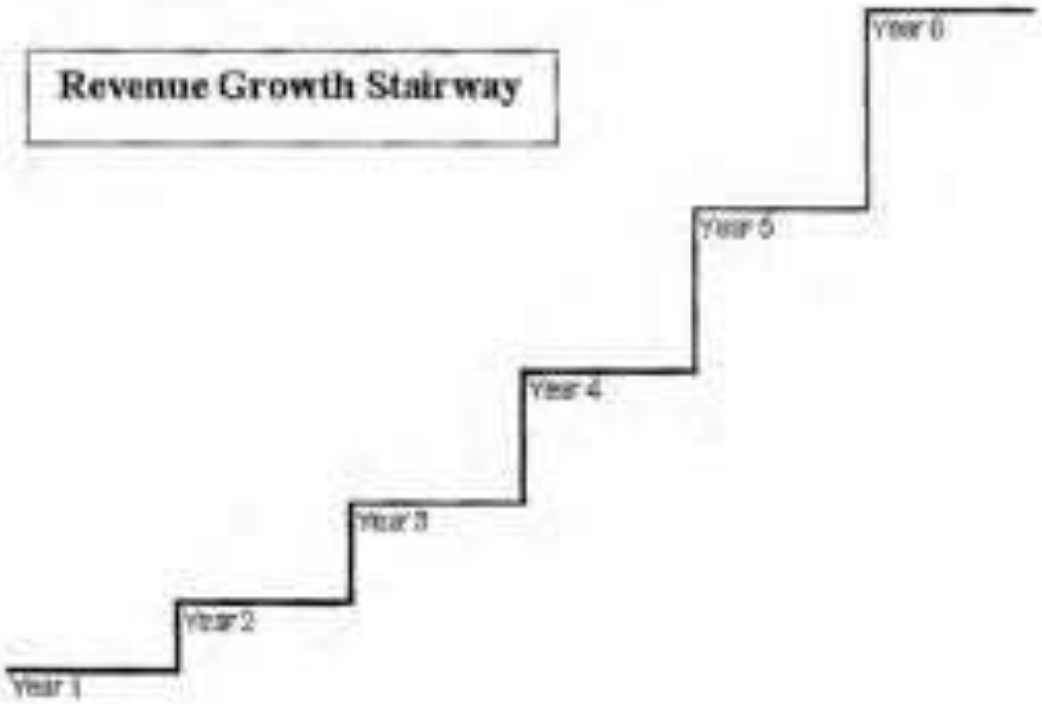
With club memberships, it's impossible not to grow your business every year. If you have a conversion ratio of 25% (as listed in Instafix) and you run 1,000 service calls this year, you should bring 250 clients into your club. With that additional revenue, you'll be able to advertise more and bring in more service.

In fact, in year two you should be able to run even more calls since you have a larger marketing budget, 1,250 calls, and from there, you should have 312 additional new members in your club. From there, your ability to advertise increases, and your word of mouth grows.

In the third year, you're running even more calls and you're enrolling even more of your clients into your club. The cycle continues, and your club membership enrollment and your revenue will grow at an exponential rate each year.

As you go up each of the stairs on this chart, your growth continues due to club memberships. Your monthly cash infusion will grow greater and greater. Your replacement opportunities from the service grow exponentially. Your client base becomes larger and larger, all protected by your shield. Your branding becomes stronger and stronger. Your revenue climbs higher at every step of the ladder. Because of the additional replacement and service revenue, and the growth of new clients, your revenue stairway looks more like this:

Revenue Growth Stairway



This type of exponential growth is how you'll be able to flourish in the future. As other independent contractors see their clients vanish, you'll see your client list rise up the stairs. With club memberships, this future full of profits and prosperity can be yours. By building your Vista Shield today with club memberships, your clients will be protected in the future.

You'll be protecting today for tomorrow's growth.

Agreement Showdown

	Club Membership	ESA or other Service Agreement
No Renewal Process	YES!	No
Low Cancellation Rate	YES!	No
Easy Accounting System	YES!	No
Predictable Monthly Cash Flow	YES!	No
Decreases Labor Percentages	YES!	No
Built-in Retirement Program for Technicians	YES!	No
Technician Retainer	YES!	No
Provides more $$ for Branding	YES!	No
Gain New Customers	YES!	Yes
Even out Tech Workload	YES!	Yes
Creates Replacement Opportunity	YES!	Yes
No Renewal Paperwork	YES!	No

Club Membership Revenues

Calls / Day	4
# Days \ Week	5
# Weeks \ Year	48
Total # Calls	960
% of calls in club	0.25
# Potential Club Members	720
Conversion Rate	25%
# New Club Members	180.00
Daily # New Club Members	0.75
Monthly Revenue	29.95

Platinum Membership Only
$29.95 per Month

Year Sold	Year 1	2	3	4	5	6	7	8	9	10	Ten Year Totals
	*% Ret.	90%	90%	90%	90%	90%	90%	90%	90%	90%	
1	$ 66,040	$ 59,436	$ 53,492	$ 48,143	$ 43,329	$ 38,996	$ 35,096	$ 31,587	$ 28,428	$ 25,585	$ 430,131
2		$ 66,040	$ 59,436	$ 53,492	$ 48,143	$ 43,329	$ 38,996	$ 35,096	$ 31,587	$ 28,428	$ 404,546
3			$ 66,040	$ 59,436	$ 53,492	$ 48,143	$ 43,329	$ 38,996	$ 35,096	$ 31,587	$ 376,118
4				$ 66,040	$ 59,436	$ 53,492	$ 48,143	$ 43,329	$ 38,996	$ 35,096	$ 344,531
5				$ -	$ 66,040	$ 59,436	$ 53,492	$ 48,143	$ 43,329	$ 38,996	$ 309,436
6						$ 66,040	$ 59,436	$ 53,492	$ 48,143	$ 43,329	$ 270,439
7							$ 66,040	$ 59,436	$ 53,492	$ 48,143	$ 227,111
8								$ 66,040	$ 59,436	$ 53,492	$ 178,968
9									$ 66,040	$ 59,436	$ 125,476
10										$ 66,040	$ 66,040
Company Revenue	$ 66,040	$ 125,476	$ 178,968	$ 227,111	$ 270,439	$ 309,436	$ 344,531	$ 376,118	$ 404,546	$ 430,131	$ 2,732,796

*10% Annual Attrition

Club Memberships Retained

Year Sold										
1	164	153	142	134	121	109	98	88	79	71
2		164	153	142	134	121	109	98	88	79
3			164	153	142	134	121	109	98	88
4				164	153	142	134	121	109	98
5					164	153	142	134	121	109
6						164	153	142	134	121
7							164	153	142	134
8								164	153	142
9									164	153
10										164
	164	349	498	632	762	881	989	1,047	1,126	1,197

Note: Excludes Replacement Opportunities

Club Membership Revenues

Calls / Day	4
# Days \ Week	5
# Weeks \ Year	49
Total # Calls	980
% of calls in club	35%
# Potential Club Members	735
Conversion Rate	25%
# New Club Members	183.75
Daily # New Club Members	0.75
Monthly Cost $	19.95

Gold Membership Only $19.95 per Month

Year Sold	% Ret.	1	2	3	4	5	6	7	8	9	10	Ten Year Totals
		Year										
1		$ 43,990	$ 39,591	$ 35,632	$ 32,069	$ 28,862	$ 25,976	$ 23,378	$ 21,040	$ 18,936	$ 17,042	$ 286,515
2			$ 43,990	$ 39,591	$ 35,632	$ 32,069	$ 28,862	$ 25,976	$ 23,378	$ 21,040	$ 18,936	$ 288,472
3				$ 43,990	$ 39,591	$ 35,632	$ 32,069	$ 28,862	$ 25,976	$ 23,378	$ 21,040	$ 290,538
4					$ 43,990	$ 39,591	$ 35,632	$ 32,069	$ 28,862	$ 25,976	$ 23,378	$ 292,496
5					$ -	$ 43,990	$ 39,591	$ 35,632	$ 32,069	$ 28,862	$ 25,976	$ 296,158
6							$ 43,990	$ 39,591	$ 35,632	$ 32,069	$ 28,862	$ 180,142
7								$ 43,990	$ 39,591	$ 35,632	$ 32,069	$ 151,281
8									$ 43,990	$ 39,591	$ 35,632	$ 119,212
9										$ 43,990	$ 39,591	$ 83,581
10											$ 43,990	$ 43,990
		Company Revenues										
		$ 43,990	$ 83,581	$ 119,212	$ 151,281	$ 180,142	$ 206,118	$ 229,496	$ 250,538	$ 269,472	$ 286,515	$ 1,820,342

*10% Annual Attrition

Club Memberships Retained

Year Sold	1	2	3	4	5	6	7	8	9	10
1	184	165	149	134	121	109	98	88	79	71
2		184	165	149	134	121	109	98	88	79
3			184	165	149	134	121	109	98	88
4				184	165	149	134	121	109	98
5					184	165	149	134	121	109
6						184	165	149	134	121
7							184	165	149	134
8								184	165	149
9									184	165
10										184
	184	349	498	632	752	861	964	1,047	1,128	1,197

Note: Excludes Replacement Opportunities

BARNABY-000073

Club Membership Revenues

Calls / Day	4
# Days \ Week	5
# Weeks \ Year	48
Total # Calls	960
% of sale in club	25%
# Potential Club Members	730
Conversion Rate	25%
# New Club Members	183.75
Daily # New Club Members	8.75
Monthly Investment	$ 11.95

Silver Membership Only $11.95 per Month

Year Sold	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Ten Year Totals
	*% Ret.	95%	90%	85%	80%	75%	70%	65%	60%	55%	
1	$ 26,350	$ 23,715	$ 21,343	$ 18,209	$ 17,288	$ 15,559	$ 14,003	$ 12,603	$ 11,343	$ 10,208	$ 175,622
2		$ 26,350	$ 23,715	$ 21,343	$ 18,209	$ 17,288	$ 15,559	$ 14,003	$ 12,603	$ 11,343	$ 161,413
3			$ 26,350	$ 23,715	$ 21,343	$ 18,209	$ 17,288	$ 15,559	$ 14,003	$ 12,603	$ 150,070
4				$ 26,350	$ 23,715	$ 21,343	$ 18,209	$ 17,288	$ 15,559	$ 14,003	$ 137,467
5				$ -	$ 26,350	$ 23,715	$ 21,343	$ 18,209	$ 17,288	$ 15,559	$ 123,464
6						$ 26,350	$ 23,715	$ 21,343	$ 18,209	$ 17,288	$ 107,905
7							$ 26,350	$ 23,715	$ 21,343	$ 18,209	$ 90,617
8								$ 26,350	$ 23,715	$ 21,343	$ 71,408
9									$ 26,350	$ 23,715	$ 50,065
10										$ 26,350	$ 26,350
Company Revenue	**$ 26,350**	**$ 50,065**	**$ 71,408**	**$ 90,617**	**$ 107,905**	**$ 123,464**	**$ 137,467**	**$ 150,070**	**$ 161,413**	**$ 171,622**	**$ 1,090,581**

*10% Annual Attrition

Club Memberships Retained

Year Sold										
1	184	165	149	134	121	109	98	88	79	71
2		184	165	149	134	121	109	98	88	79
3			184	165	149	134	121	109	98	88
4				184	165	149	134	121	109	98
5					184	165	149	134	121	109
6						184	165	149	134	121
7							184	165	149	134
8								184	165	149
9									184	165
10										184
	184	349	498	632	752	861	959	1,047	1,126	1,197

Note: Excludes Replacement Opportunities

BARNABY-000074

Technician Mail Box Money

Calls / Day	4
# Days \ Week	5
# Weeks \ Year	40
Total # Calls	800
% of calls in club	35%
# Potential Club Members	735
Conversion Rate	35%
# New Club Members	194
Daily # New Club Members	0.75

	Year 1	Anniversary
Tech Bonus	$ 20.00	$ 15.00

Platinum Membership Only
$29.95 per Month

Year Sold	Year 1 (% Ret.)	2 (80%)	3 (90%)	4 (90%)	5 (90%)	6 (90%)	7 (90%)	8 (90%)	9 (90%)	10 (90%)	Ten Year Totals
1	$ 3,675	$ 2,646	$ 2,381	$ 2,143	$ 1,929	$ 1,736	$ 1,562	$ 1,406	$ 1,265	$ 1,139	$ 19,884
2		$ 3,675	$ 2,646	$ 2,381	$ 2,143	$ 1,929	$ 1,736	$ 1,562	$ 1,406	$ 1,265	$ 18,745
3			$ 3,675	$ 2,646	$ 2,381	$ 2,143	$ 1,929	$ 1,736	$ 1,562	$ 1,406	$ 17,479
4				$ 3,675	$ 2,646	$ 2,381	$ 2,143	$ 1,929	$ 1,736	$ 1,562	$ 16,073
5					$ 3,675	$ 2,646	$ 2,381	$ 2,143	$ 1,929	$ 1,736	$ 14,511
6						$ 3,675	$ 2,646	$ 2,381	$ 2,143	$ 1,929	$ 12,775
7							$ 3,675	$ 2,646	$ 2,381	$ 2,143	$ 10,846
8								$ 3,675	$ 2,646	$ 2,381	$ 8,702
9									$ 3,675	$ 2,646	$ 6,321
10										$ 3,675	$ 3,675
Annual Additional Income	$ 3,675	$ 6,321	$ 8,702	$ 10,846	$ 12,775	$ 14,511	$ 16,073	$ 17,479	$ 18,745	$ 19,884	$ 129,010

*10% Annual Attrition

Club Memberships Retained

Year Sold										
1	194	165	149	134	121	109	98	88	79	71
2		194	165	149	134	121	109	98	88	79
3			194	165	149	134	121	109	98	88
4				194	165	149	134	121	109	98
5					194	165	149	134	121	109
6						194	165	149	134	121
7							194	165	149	134
8								194	165	149
9									194	165
10										194
	194	359	508	642	762	881	969	1,047	1,126	1,187

Note: Excludes Replacement Opportunities

Technician Mail Box Money

Calls / Day	4
# Days / Week	3
# Weeks / Year	44
Total # Calls	660
% of calls in club	25%
# Potential Club Members	165
Conversion Rate	25%
# New Club Members	166
Daily # New Club Members	0.75

	Year 1	Anniversary
Tech Bonus	$ 15.00	$ 12.00

Gold Membership Only $19.95 per Month

Year Sold	Year 1	2	3	4	5	6	7	8	9	10	Ten Year Totals
	*% Ret.	90%	90%	90%	90%	90%	90%	90%	90%	90%	
1	$ 2,756	$ 1,988	$ 1,786	$ 1,607	$ 1,447	$ 1,302	$ 1,172	$ 1,055	$ 949	$ 854	$ 14,913
2		$ 2,756	$ 1,988	$ 1,786	$ 1,607	$ 1,447	$ 1,302	$ 1,172	$ 1,055	$ 949	$ 14,059
3			$ 2,756	$ 1,988	$ 1,786	$ 1,607	$ 1,447	$ 1,302	$ 1,172	$ 1,055	$ 13,109
4				$ 2,756	$ 1,988	$ 1,786	$ 1,607	$ 1,447	$ 1,302	$ 1,172	$ 12,055
5					$ 2,756	$ 1,988	$ 1,786	$ 1,607	$ 1,447	$ 1,302	$ 10,883
6						$ 2,756	$ 1,988	$ 1,786	$ 1,607	$ 1,447	$ 9,581
7							$ 2,756	$ 1,988	$ 1,786	$ 1,607	$ 8,134
8								$ 2,756	$ 1,988	$ 1,786	$ 6,527
9									$ 2,756	$ 1,988	$ 4,741
10										$ 2,756	$ 2,756
Annual Additional Income	**$ 2,756**	**$ 4,741**	**$ 6,527**	**$ 8,134**	**$ 9,581**	**$ 10,883**	**$ 12,055**	**$ 13,109**	**$ 14,059**	**$ 14,913**	**$ 86,758**

*10% Annual Attrition

Club Memberships Retained

Year Sold										
1	164	148	149	134	121	109	98	89	79	71
2		164	148	149	134	121	109	98	89	79
3			164	148	149	134	121	109	98	89
4				164	148	149	134	121	109	98
5					164	148	149	134	121	109
6						164	148	149	134	121
7							164	148	149	134
8								164	148	149
9									164	148
10										164
	164	349	498	632	752	851	939	1,047	1,126	1,197

Note: Excludes Replacement Opportunities

Technician Mail Box Money

Calls / Day	4
# Days \ Week	3
# Weeks \ Year	48
Total # Calls	660
% of calls in club	20%
# Potential Club Members	132
Conversion Rate	20%
# New Club Members	184
Daily # New Club Members	0.76

Silver Membership Only
$11.95 per Month

	Year 1	Anniversary
Tech Bonus	$ 11.00	$ 8.00

Year Sold	Year 1	2	3	4	5	6	7	8	9	10	Ten Year Totals
	*% Ret.	90%	90%	90%	90%	90%	90%	90%	90%	90%	
1	$ 2,021	$ 1,323	$ 1,191	$ 1,072	$ 964	$ 868	$ 781	$ 703	$ 633	$ 570	$ 10,125
2		$ 2,021	$ 1,323	$ 1,191	$ 1,072	$ 964	$ 868	$ 781	$ 703	$ 633	$ 9,535
3			$ 2,021	$ 1,323	$ 1,191	$ 1,072	$ 964	$ 868	$ 781	$ 703	$ 8,923
4				$ 2,021	$ 1,323	$ 1,191	$ 1,072	$ 964	$ 868	$ 781	$ 8,220
5					$ 2,021	$ 1,323	$ 1,191	$ 1,072	$ 964	$ 868	$ 7,439
6						$ 2,021	$ 1,323	$ 1,191	$ 1,072	$ 964	$ 6,571
7							$ 2,021	$ 1,323	$ 1,191	$ 1,072	$ 5,607
8								$ 2,021	$ 1,323	$ 1,191	$ 4,535
9									$ 2,021	$ 1,323	$ 3,344
10										$ 2,021	$ 2,021
Annual Additional Income	**$ 2,021**	**$ 3,344**	**$ 4,535**	**$ 5,607**	**$ 6,571**	**$ 7,439**	**$ 8,220**	**$ 8,923**	**$ 9,556**	**$ 10,126**	**$ 66,343**

*10% Annual Attrition

Club Memberships Retained

Year Sold										
1	184	165	149	134	121	109	98	88	79	71
2		184	165	149	134	121	109	98	88	79
3			184	165	149	134	121	109	98	88
4				184	165	149	134	121	109	98
5					184	165	149	134	121	109
6						184	165	149	134	121
7							184	165	149	134
8								184	165	149
9									184	165
10										184
	184	349	498	632	753	861	959	1,047	1,126	1,197

Note: Excludes Replacement Opportunities

Anatomy of a Club Membership

Anatomy of a Club Membership

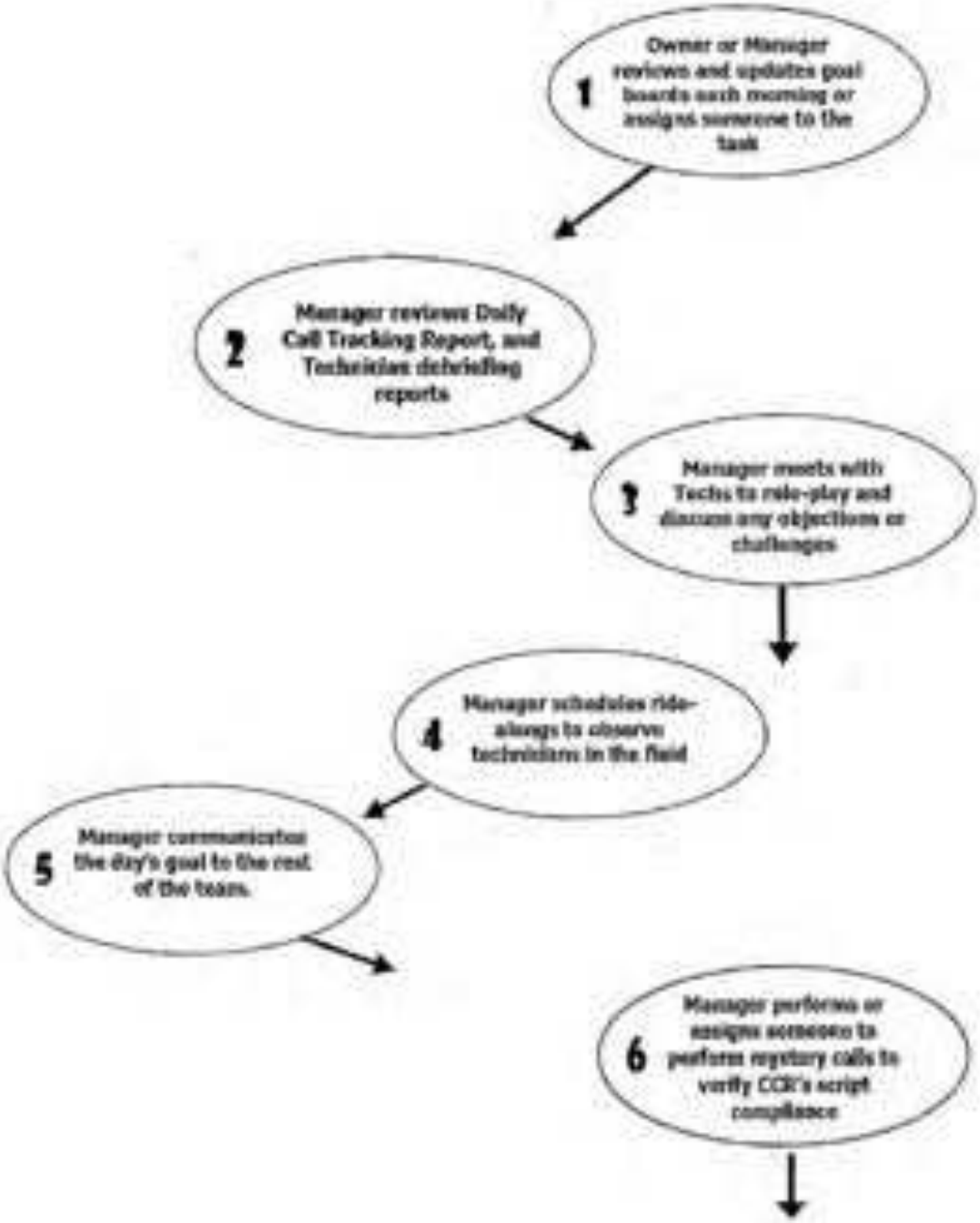
Where does Club Membership Success start? Does it fall on the shoulders of your technician? After all, your technician is the one in the home communicating the program to your clients. Does it fall on the shoulders of your CCR? They are the ones who should first mention the club membership to your clients and get them interested in the program over the phone. Or does it fall on the shoulders of the owner or manager? They are the leaders who should guide their team to success.

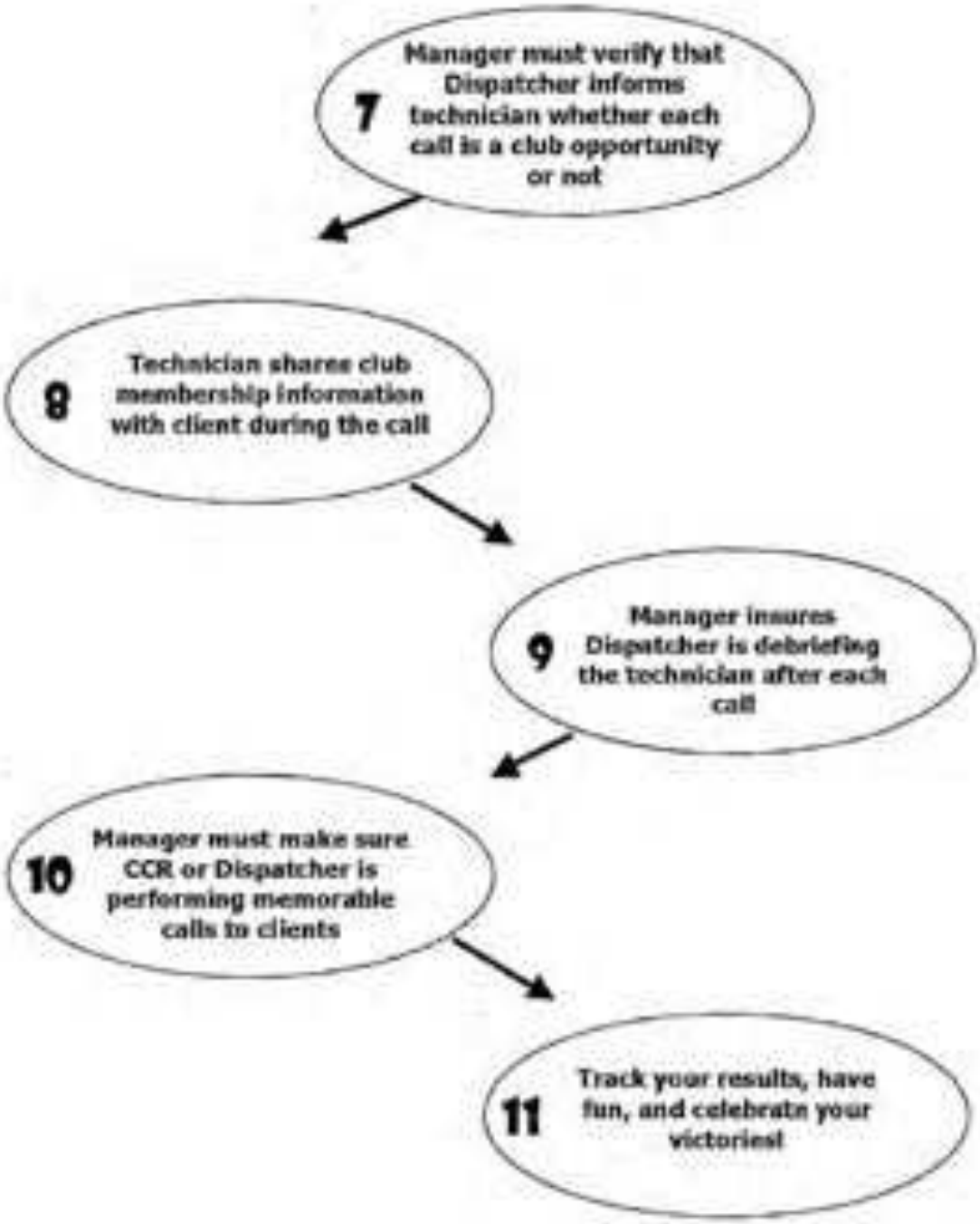
The true answer is that Club Membership success is truly a team effort. No one person alone can make the Club Membership program a success. Sure, a superstar technician may be able to get some clients involved in the program, but without the support of the owner and the rest of the team, the program will not flourish on the back of that one technician.

However, when you bring the skills and talents of your whole team together, you can generate astounding success with Club Memberships. The power of a whole team is much more forceful than one individual alone.

But just what is everyone's role in the process of Club Membership Success? How does your team ensure that they are effectively executing their roles to create this booming success?

To answer that question, it's best to look at the anatomy of a Club Membership Enrollment. The following flowchart illustrates the key points that must occur everyday to maximize your success with the Club Membership Program.





1. What the anatomy of a club membership means is that the success of your club membership starts with the owner or manager each morning. You must come into your business each day with the focus and attitude that club memberships will be your goal. With that in mind, the first step is to post and review your goals for the day. Review your club membership results from the day before. Were you on track with your goals? Once you have your goal for the day, post it to get your whole team on the same page.

2. By tracking your results each day, you'll have a clear view of how well your team is achieving the goals you set out each day. You should review your reports and numbers each morning so that you can see where your system may be falling short. By reviewing your Daily Call Tracking Report, you'll be able to see the success each of your techs had with club memberships the previous day, and you'll be able to correct any challenges they may be having. The Technician Debriefing report will let you know if your dispatcher is properly debriefing after each call, and if not, you'll be able to train them to do so.

3. The manager should take the time to role-play with the technicians on the scripts to be used for the club membership presentation. Also, the manager should go through how the technician builds value throughout the service call so the client sees the value in the program. This also involves discussing and role-playing any objections or challenges that your technicians have been facing during their service calls.

4. Another important aspect to holding your team accountable is to schedule ride-alongs. By riding along with a technician, you can observe how they build value throughout the call and how they present the program to your clients. You may also choose to pop by your client's home while your technician is there rather than scheduling a ride-along with them. By doing this, you'll see an honest glimpse of how your technician performs in your client's home.

5. From there, it is up to the manager to communicate that goal to the rest of the team. Take a moment each morning to sit down with your team and let them know what the goal for club memberships is that day and how they play a part in reaching that goal.

6. An important part of the club membership process is holding your team accountable for their part of the system. With that in mind, you should be performing mystery calls to your CCRs to make sure that they are complying with phone scripts to alert your clients to the club memberships before the technician arrives.

7. The next step is to make sure that your dispatcher is informing your technician about the opportunity for club memberships on non-member calls. By letting your technician know before hand if the client is a club member or not, your technician will be able to build the value of a club membership throughout the call.

8. Your technician plays one of the key roles in the anatomy of a club membership since they are the ones who actually present the club membership to your clients. Under the training tab, you'll find more information about the words your technician should use and how to train your team.

9. Your dispatcher should also be sure to debrief each technician after their calls. This process involves finding out if the technician presented the program to the client and whether or not they were successful in getting the client involved in the program. Also, the dispatcher should note any objections the technicians encounter.

10. Once the call is over, it's time to do a memorable call to the client. Find out how they felt about their service experience. Congratulate them on joining the club. If they didn't join the club, mention it and ask if there are any further questions they would like to ask about the club.

11. The final step in the process is to celebrate your victories. When your team gets a new member to enter your club, celebrate it. Hold contests, set goals, track your results, and then reward your team for surpassing those goals. Make your club membership process fun for your team, and you'll experience tremendous success as a result.

To assist you with overseeing all of these items in the Anatomy of a Club Membership, the following page is your Club Membership checklist. By simply following the steps laid out in it each day, you'll be taking the right actions to get your clients involved in your club membership program.

Club Membership GM Checklist

Date: _____

- ☐ Review goal boards and make sure board is current.
- ☐ Review DMI Report and Tech Debriefing Forms.
  Verify CM conversion rate.
- ☐ Meet with Technicians to role-play CM presentation or to discuss any objections or challenges.
- ☐ Schedule ride-alongs.
- ☐ Communicate daily goal to CCR, Dispatcher, and Technicians.
- ☐ Perform (or assign someone) mystery calls to verify script compliance.
- ☐ Check to see if Dispatcher is communicating with Technicians whether each call is a club opportunity or not.
- ☐ Confirm that the Dispatcher is debriefing the Technician after each call.
- ☐ Verify that CCR or Dispatcher is performing Memorable Calls.
- ☐ Celebrate victories and ensure that the tracking system is being followed.

Club Membership Success Principles

Club Membership Success Principles

By mastering those steps, you'll have a daily plan of action for maximizing your club membership success. However, perfecting those steps is only one facet to club membership success. The companies in AirTime 500 that are continually bringing new clients into their clubs and prospering as a result of it all share the same characteristics.

To become among the elite in club memberships, you not only have to master the anatomy of a club membership, but you also have to master the following six principles. Putting all six of these pieces together in your company will allow you to solve the club membership puzzle and unlock the growth and profits you'll experience. Each area ties back to the previous flowchart in some respect because the different actions within the club membership cycle are all linked. Since it is a total team effort, each action affects the rest of the system.

To master club memberships in your business, you must strive to perform the actions on the checklist everyday and strive to perfect the following six Club Membership Success Pieces:

1. Focus
2. Expectations
3. Tracking
4. Compensation/Reward Program
5. A System for Accounting
6. Training

Focus

The founder of MCI Communications, Harold Geneen, once said, "Leadership is practiced not so much in words as in attitude and in actions."

It's in your attitude and actions where your success with club memberships starts, too. You're the owner, and you're the leader. You must lead your team to club membership success with the attitude that you can achieve your goals. Your attitude can't be that "My people won't sell club memberships." That attitude will only keep your technicians from getting involved. Your attitude has to begin with "Club memberships are in the best interest of our clients, and to protect their homes and investment, we're going to offer them on every call."

I want you....to focus!

However, attitude and action are where companies who are unsuccessful with club memberships often fail. Often the owner or the manager starts their growth by using failure statements such as:

- "Club memberships won't work with my clients."
- "I can't get my techs to sell those."
- "People want their tune-ups only when it's hot or cold out."
- "I could never keep track of all of those monthly payments."
- "My clients won't want to pay each month."
- And others...

If you have found yourself using any of those statements or ones like them, then you need to readjust your focus.

Your focus should always be on what is best for your clients, and with that in mind, club memberships should be a top priority. They protect your clients' comfort and health, they provide them with an easy way to maintain their system, and they provide them

protection against future repairs. If your team can show your clients that level of value in the club memberships, your clients will join.

That's why it must be your focus everyday to ensure that you team is dedicated to club memberships and is showing your clients that value. That focus from you must start from the moment you enter your business in the morning. Simply pull out your checklist and start going through the items on it. After a few times, your team will catch on, and they'll see how important this program is to their success and the company's success.

However, the focus comes from you. You must champion the club memberships. You must discuss them with your team everyday. You must put the focus on them for every service call. You must get your team to share your focus, but as the leader, your focus can never waiver.

The focus on Club Memberships starts with you. Don't fall into the idea that your clients won't join the club. Don't fall into the idea that your technicians won't present the club. If the focus and attitude comes from you that this is in the best interest of your clients, then your technicians will be eager to get your clients involved. If the presentation is done correctly, your clients will see the value and join your club.

It all starts with your attitude, your actions, and your FOCUS!!

Expectations

How many times do we as managers talk to our employees about increasing their performance, but we do not give them a specific, measurable, realistic, or time-sensitive goal to increase their performance? Without any set expectation, nothing will change or be enhanced in your company.

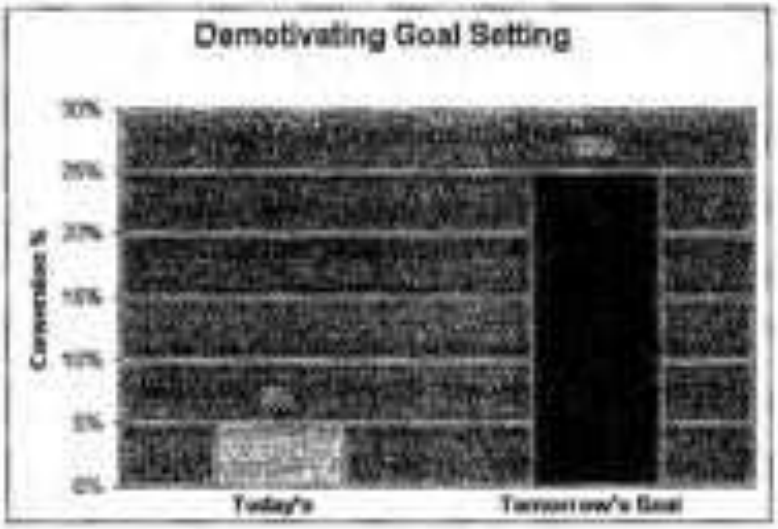
How many times do people do things just because they know it's expected? Your employees come to work on time because they know it is expected. Your techs come to work in their uniform because they know it is expected. Your CCRs answer the phone a certain way because they know it is expected. And if they don't, your team members understand that there is a consequence for not doing what is expected.

If we expect our technicians to get the customer happily involved in a club membership, then there is a good chance that your team will produce more club memberships. However, you must provide your team with the tools and training to be successful at achieving those expectations.

What are realistic expectations? The blueprint for Club Membership Goals on what is realistic as stated in your Instafix guide is:

Open Repair call conversion = 25%
Retainage Rate = 90%

However, if you're just getting started in club memberships, these goals may not be the accurate goals for you. These should be what you aspire to in your company, but they may not be realistic goals for you today. What is important is that you set reasonable and manageable goals for your team so that they will be motivated to reach them. Setting your initial goal too high will only demotivate your team.



If you aren't close to this goal today, start with a stair-step approach. Start with a smaller goal, but let your team know that you want to work your way up to the 25% goal. Let them know they have the talent and the skill to get 25% of your clients involved in club memberships, and you will give them the training to get to those numbers. The key is to motivate your team to offer club memberships to your clients, and that starts with having manageable and attainable goals.

Tracking

You must track your progress on these goals daily, weekly, monthly, and annually by using your Daily Management Essentials Report and your Daily Call Tracking Report. Remember, if your goal is not measured, your team will not know when they have reached the goal. They will then take the attitude that if no one is watching or tracking the goal, it must not be important. It's important that you track your goal to make sure you are seeing measurable progress in an appropriate amount of time.

For example, picture this. You have shared your vision with your team members. You have made your expectations very clear. You have even provided daily training so that each team member can accomplish their goal. However, as you look at your financials at the end of the month, you notice that the Club Membership revenue is only a little bit higher than the month before. What happened?

No one tracked or measured against the expectations on a DAILY basis. Don't just think that because you expect something and train people that your job is done. The most talented and intelligent people get off track. That is why you must constantly count, measure, track, and then react to the findings.

If expectations are not getting met, you must find out why. Is it because you haven't trained? Is it because your tech hasn't practiced? Is it because the CCR did not mention the Club Membership on the phone? Is it because your Dispatcher did not debrief the technicians? Is it because your bookkeeper didn't process the paperwork? Holding people accountable all the time (not just some of the time) is your responsibility as a manager and is essential to keep focus. The great thing is.... you don't have to do it yourself. The numbers will hold people accountable.

The numbers will tell you everything. They will flag you when things are off and will tell you when you should reward because things are on. They get posted for everyone to see so each individual knows when they are not doing the things that they are supposed to, or when they are doing all the right things.

Let your numbers do the talking. Set up goal boards for your Club Membership results per technician, and the Conversion Rate by technician. Use your DME Report and your Daily Call Tracking report to post the results every single day and have the individuals who are "stars" share with the other team members what they do to be successful.

Compensation/Reward Program

Everyone likes to be recognized for a job well done. It is a basic need in every human to feel appreciated. However, many companies fail to recognize this need as a key to success. Research demonstrates the success is found when managers praise, recognize, and reward employees. What is your method for rewarding your team members? Because each person is unique and different, you must not assume that everyone wants the same reward. Some of your team members may want a day off or just verbal recognition in front of his peers. Others may want a spiff or bonus, or a gift, like a TV or a DVD player. It is important to mix it up a little. Find out what would mean the most to each individual.

Airtime 500 has outlined the compensation guidelines for the Club Membership program in your General Managers guide. Utilized correctly, this reward program actually creates residual income for your technician. Invested wisely, this residual income could be a retirement program for your technicians that they never even dreamed of.

Here is the outline that is in your Instafix guide for the Club Membership Reward Program:

Club Membership Rewards

Original Memberships

Silver = $11 on initial enrollment
= $8 at each 12-month renewal

Gold = $15 on initial enrollment
= $12 at each 12-month renewal

Platinum = $20 on initial enrollment
= $16 at each 12-month renewal

Additional Memberships

Region 1

Silver = $10 on initial enrollment
= $7 at each 12-month renewal

Gold = $19 on initial enrollment
= $16 at each 12-month renewal

Insurance = $12 on initial enrollment
= $9 at each 12-month renewal

Silver Combo = $14 on initial enrollment
= $11 at each 12-month renewal

Gold Combo = $21 on initial enrollment
= $17 at each 12-month renewal

Region 2

Silver = $7 on initial enrollment
= $4 at each 12-month renewal

Gold = $12 on initial enrollment
= $8 at each 12-month renewal

Insurance = $9 on initial enrollment
= $6 at each 12-month renewal

Silver Combo = $12 on initial enrollment
= $8 at each 12-month renewal

Gold Combo = $19 on initial enrollment
= $16 at each 12-month renewal

Region 3

Silver = $5 on initial enrollment
= $2 at each 12-month renewal

Gold = $9 on initial enrollment
= $6 at each 12-month renewal

Insurance = $7 on initial enrollment
= $4 at each 12-month renewal

Silver Combo = $11 on initial enrollment
= $8 at each 12-month renewal

Gold Combo = $16 on initial enrollment
= $13 at each 12-month renewal

Because Club Memberships are a team effort and a company focus, you may want to implement a reward program for your CCRs and Dispatchers as well. This will encourage them to focus on the part of their job that can change the number of Club Memberships that your company has at the end of the day (following the script, communicating to the tech what kind of call it is, and debriefing the tech after every call.)

One way to bonus your CCRs and Dispatchers for a job well done is as simple as:

1. Putting one person's name on a piece of paper in a raffle for every club membership that a technician sells. Go in the same order each time. **Example:** Mary's name goes in first, then Amy's name, then Hope's name, etc. Then start over with Mary.
2. At the end of the month, draw out one piece of paper. The person whose name is drawn receives a prize. You can give money, gift certificates, a small TV, a day at the spa, a day off with pay, etc. It may be fun to announce the prize at the beginning of the month so that they have something to look forward to.

System for Accounting

One of the most powerful concepts behind the Club Membership is the method in which you collect and account for them. No longer do you collect all the money up front or bill the customer when you do the annual rejuvenation. No longer do you have to worry about customers "renewing" their agreements. No longer do you have to "resell" the customer so that they invest in another year. The Club Membership is designed so that there is no renewal. The program is an automatic monthly membership that never has renewal process. Your customers see their payment monthly on their credit card or their bank statement for their Club Membership. This collection process and method of billing has been working in other industries for years. Magazines subscriptions, internet service providers, and mail order services (book of the month) use a monthly accounting system that automatically collects the fee from the customer right out of their checking account or charged to their credit card.

Statistics show that customers prefer not to receive a paper bill in the mail for these services they have requested or signed up for. It is one less service that they have to worry about each month. The payment process for Club Memberships is just another benefit to the customer.

Club Membership Accounting Myths

- ***Myth #1 — Collecting Monthly for Clubs takes too much time***

  Actually, collecting monthly for Clubs is a more efficient use of your bookkeeper's time than collecting from the customer at the time of the tune-up or by sending out an invoice. Once you have a customer set up on an automatic debit or credit card, all you have to do is push a button each month. The ACH/Credit Card Software will automatically collect the money for you. Sending out bills or statements is time consuming. And often, your clients do not pay right away when they receive their invoice.

- *Myth #2 — ACH/Credit Card Software is complicated to use*

  If you can do data entry, you can use this software. All you have to do is enter the customer's information one time into a database entry form. Once their information is entered, it is stored until you remove it or change it. Training is minimal, and many banks will even come out on site to help get your system set up.

- *Myth #3 — ACH/Credit Card Software is too expensive*

  Worry no more! Baymax has negotiated with your vendor partners to provide special pricing to AirTime 500 members for the ACH/Credit Card software. You can receive information about this easy-to-use software by calling Baymax at 877-426-9629.

- *Myth #4 — It is not safe to debit my customers' bank accounts*

  ACH is an automated, secure, direct way for customers to pay their monthly club membership fees. The customer gives authorization to deduct from their checking account the selected amount of their membership fees on a certain date. For ease of processing, we recommend that you set a specified date in which all of your clients are to be billed. (For example, the 15th day of each month.) This amount would then be transferred to your merchant account. Funds transfer allows you to move money electronically between your linked accounts.

If you have specific questions regarding how to set up your Club Membership accounting system and you are using Quickbooks, please contact your client advisor.

If you have specific questions about Club Membership accounting and you are on SuccessWare, contact SuccessWare at 716-565-2358.

Training

To maintain the focus on Club Memberships, you have to make a commitment to continual training if you want your team members to achieve the expectations.

Any time that you introduce a new program or system to your company, you must provide initial training, but then also "refresher" classes so that your team won't lose focus. It is human nature to be excited and focused on a goal initially, but over time, people forget, lose their excitement, and stray from the system without someone to rejuvenate them. Your team must practice, drill, and rehearse over and over again to ensure that they are utilizing the entire system. But the practicing, the drilling, and the rehearsing need to be fun. The most successful companies have contests, play games, and recognize those who are doing a great job.

How often should you train? As long as the training is productive, helps your team overcome any challenges that they are having, is motivational, and shares information, you should train as much as possible.

Some companies train every day. Some train twice a week, and some train only once a week. At the beginning of your new program, you may want to meet with your team every day to make sure they are on track with the program. The true answer to the question, "How often should I train?" comes from tracking your results. If your results are getting you to your goals, you may need to train only one day a week to keep your team on top of their game. If your results are not reaching your goals, then it is probably necessary to make training more frequent. The answer is that your progress will determine how much training you need.

CCR Training

The entire club membership process starts with your client calling in. The call must be set up correctly for the technician if you want to maximize the opportunity. The Club Membership selling process is not just the responsibility of the technician. The CCR must follow the Power Phone Talk script to plant the club membership seed so that the customer's interest is peaked. Then when the technician shows up at the customer's house and explains the Club Membership, the customer actually wants to hear about the benefits and options of being a club member.

Planting that seed comes from a simple question asked to your client during the call booking process. Review your CCR scripts in Power Phone Talk, but at the applicable point, your CCR should be asking:

CCR: *Are you a client of our Club Membership?*

Client: No, what is a Club Membership?

CCR: *Club Memberships are for our priority clients who move to the front of the service line. They receive special prices on our services, and some work is often done free of charge. Our members just love them. If you haven't heard about them yet, you definitely will. I'll make a note for the technician to share the details with you.*

With that simple question and answer, your CCR is able to plant the seed and expectation in your client's mind that the club membership is something they will want to know about and join. Your clients will then be expecting to hear about it from the technician during their service visit.

Dispatcher Training

After the CCR has booked the initial call and determined whether the client is already a club member, it is the Dispatcher's responsibility to get the right technician to the call. The dispatcher's responsibility with each call is:

1. Research the client's history to determine if the client is already a club member or if the call is a club membership opportunity.
2. Get the appropriate technician on the call. If the client is already a club member, you do not have to send your best communicator. However, if there is a chance to get the client involved in the club, send someone who is effective at communicating the benefits of the club.
3. The Dispatcher must debrief the technician after each call to make sure they presented the club membership to the client. (Use the Technician Debriefing Form on Page 61). If they were successful, then celebrate the victory. If they were not successful, find out what objections the client had to joining the club.
4. Either the Dispatcher or the CCR will call the client for a memorable call afterward. On that call, they'll congratulate the client on joining, or answer any further questions the client may have about the club.

Technician Training

Since your technicians are the ones who will be face to face with your clients, they have one of the most important roles in the club membership process. As a result, training your technicians must start with getting them to believe in the club.

1. **Belief in the club:** You must show your technicians how the clubs are in the best interest of your clients. They will keep your clients' systems in better working order throughout the year. They'll experience better comfort.

2. Second, you must show your technicians how the club memberships will enhance their lives as well. By keeping your clients' systems in better working order, you'll minimize the number of after-hours calls and weekend calls. Also club memberships represent a huge residual income bonus opportunity for your techs. Show them how each client they bring into the club will enhance their future income. Each year, they will have *residual* income before they have even run one service call.

3. The third step is making sure that your technicians understand the ins and outs of the club. Do they understand the difference between each level of membership? Do they understand it well enough to communicate it to your clients? Do they know the benefits of each level? Your technicians must understand every detail and nuance of the club memberships, and that understanding starts by going through the pages of the StraightForward Pricing® Guide with your technicians so they understand every word.

4. The fourth step is training your techs to succeed. The key here is role-playing — your technician's favorite word. If a technician can present the Club Membership to his peers, he most likely will do an excellent job in the customer's home explaining the benefits and options.

   The key to your role-play meetings is to make them fun. Get involved. As the owner/manager, you should role-play, too. Don't just sit on the sidelines and critique. Let the technicians provide feedback and have them grade each other. Have them develop a script in their own words. And do not expect them to do it like you or anyone else. They have to feel good about how they are communicating, and some people speak or talk differently than others.

   To help your technicians develop their script, use the sample script in the next tab. Have them practice their script until it is second nature.

The following Club Membership Technician Success Cycle is the best way to train your technicians to succeed. With it, they'll discover the six Value-Building opportunities they have on every service call, and they'll be able to go over the scripts they should use throughout. Use this Success Cycle with your technicians during your role-play to reinforce what they should be doing on every call.

By using the following Technician Success Cycle and role-playing with your technicians, they'll be ready to get your clients involved in the club membership program.

Also, following the Technician Success Cycle, you'll find the materials you will need to hold a meeting with your technicians to get them involved in the club membership program.

VistaShield Club Membership By Technician

Month _____	Y-T-D	M-T-D	W-T-D	Monday	Tuesday	Wednesday	Thursday	Friday
Goal								
Actual								
+/-								
Goal								
Actual								
+/-								
Goal								
Actual								
+/-								
Goal								
Actual								
+/-								
Company Goal								
Company Actual								
Company +/-								

BAINNAB7-000104

VistaShield Conversion Rate by Technician

Month_____	Y-T-D	M-T-D	W-T-D	Monday	Tuesday	Wednesday	Thursday	Friday
Goal								
Actual								
+/-								
Goal								
Actual								
+/-								
Goal								
Actual								
+/-								
Goal								
Actual								
+/-								
Company Goal								
Company Actual								
Company +/-								

BARNABY-200108

Daily Call Tracking
Club Memberships

For week ending: _____

	A	B	C	D	E	F	G	H	I	J
Day of the Week	Total Calls Ran (B+C+F)	Current Non-Agreement Customers	New CLients	CM's Sold	Conversion % on New Clients (D/C)	ESA Calls Ran (G + H)	ESA's Non-Renewable	ESA's Renewable	ESA's Converted to CMs	ESA Conversion % to Clubs (I/H)
MON	20	8	5	3	60%	7	3	4	2	50%
TUES										
WED										
THU										
FRI										
Sat/ Sun										
Total for Week										
M-T-D										
Y-T-D										

*ESA stands for Energy Savings Agreement, but also means any other service agreement other than a club membership.

Daily Call Tracking
Club Memberships

For week ending: _____

	A	B	C	D	E	F	G	H	I	J
Day of the Week	Total Calls Run (B+C+F)	Current Non-Agreement Customers	New CLients	CM's Sold	Conversion % on New Clients (D/C)	ESA Calls Run (G + H)	ESA's Non-Renewable	ESA's Renewable	ESA's Converted to CMs	ESA Conversion % to Clubs (I/H)
MON										
TUES										
WED										
THU										
FRI										
Sat/ Sun										
Total for Week										
M-T-D										
Y-T-D										

*ESA stands for Energy Savings Agreement, but also means any other service agreement other than a club membership.

BANNAB7-000107

DME Report

For Day Ending: _____

A.

# of Service Calls Ran:	# of Clubs Sold:
Goal:	Goal:
Actual:	Actual:
(+ –):	(+ –):
# of Leads Ran:	**Close Ratio:**
Goal:	Goal: %
Actual:	Actual: %
(+ –):	(+ –):

B.

Total Cash Available: _____
in Bank Account

Amount collected: _____

Amount Uncollected: _____ **Reason:** _____

C. Key Numbers:

30% Rule

1. Total Revenue for Day: _____

2. Total Direct Labor Wages for Day: $ _____

Divide 2 by 1. 2a. Field Labor % _____ This number should not exceed 20%.

3. Total of all **Other Gross Wages for Day: $ _____

Divide 3 by 1. 3a. Office Labor % _____ This % should not exceed 10%

4. Total Gross Wages of Company (2 + 3) _____

Divide 4 by 1. _____

This % should not exceed 30%.

Daily Revenue		Average Invoice		Sale along with Tech Tomorrow
Goal:	$ _____	Goal:	$ _____	1
Actual:	$ _____	Actual:	$ _____	2
(+ –):	$ _____	(+ –):	$ _____	3

*Do not include any payroll taxes or benefits in this number
**Include owner/manager salary in this number

Technician Service Visit Debriefing

Date: _____ Time _____ Technician _____ D.C.R. _____

Client: _____ Phone _____

Type of call:

Call Code:	
RS — Repair Service	TU — Tune-Up
CM — Club Member	W — Warranty
IN — Installation	Other _____
CB — Call Back	

1. **Did the client invest in a Club Membership?** ☐ Yes ☐ No

   If no, please list why: _____

2. Is the service complete? ☐ Yes ☐ No

3. **Did you collect the revenue amount?** ☐ Yes ☐ No

   $ _____

4. Have you recorded the model, serial, and filter size? ☐ Yes ☐ No

5. What is the approximate age of the equipment? _____ Years

6. Is this a lead for replacement or accessory? ☐ Yes ☐ No

   If yes, what? _____

7. Did you place labels on the equipment? ☐ Yes ☐ No

8. Did you tag the valves? ☐ Yes ☐ No

9. Did you leave business cards? ☐ Yes ☐ No

10. Did you put out door hangers? ☐ Yes ☐ No

Memorable Call Report

Client Care Representative/Dispatcher:

Mr/Mrs/Ms. _____, this is _____ with _____.
Our technician recently visited your home, and I was calling to let you know we appreciate you calling us, and to say thank you for letting us be of service. *(Pause to see if they reply; be conversational.)*

The only way we can serve you better in the future is to ask how we are doing today.

What one thing did our company do in providing you service that stands out in your mind today?

_____

_____

_____

Was our response time good?

_____

_____

_____

Was _____ *(Name of technician)* courteous?

_____

_____

_____

Did _____ *(Name of technician)* wear shoe covers and clean up everything after finishing the job?

_____

_____

_____

Did he address all of your concerns and answer all of your questions?

_____

_____

_____

Is there anything else you can share with our company, in an effort to improve our service?

_____

_____

_____

Club Member
By the way, congratulations, you will begin enjoying priority service from our award-winning team by enrolling in the club membership. You have made a wise investment, and I know you will be very happy you did. *(Be sure you know the benefits of a club membership. You may have to reassure them of their decision to invest in a club membership and need to remind them of the benefits.)*

Non-Club Member
By the way, _____ *(Name of technician)* left a Club Membership designed to reduce breakdowns and provide you with priority service from our award-winning team. Do you have any questions regarding the club membership that I can answer?

Thank you for your time, have a great day!

AIRTIME 500

PROFIT FROM KNOWLEDGE ®

Training

The Technician Success Cycle

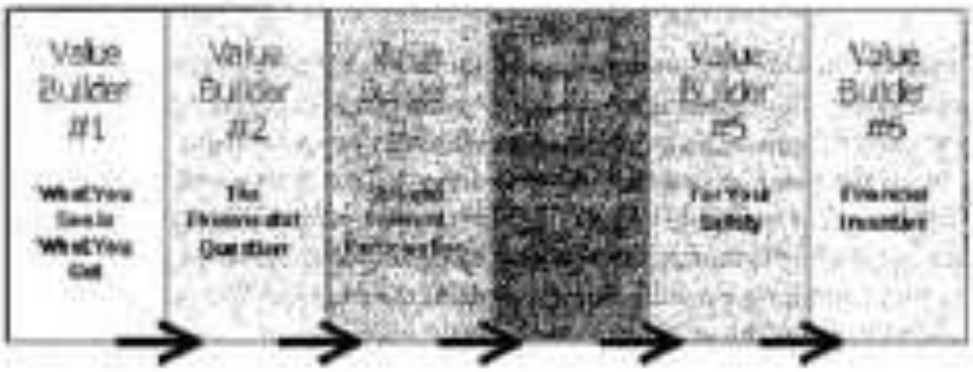
In the days of the Old West, miners were bountiful in the hills and mountains where gold laid waiting. For those miners, a large boulder or rock presented a challenge. Inside it might be a tremendous fortune, but how could they possibly open it with just the small chisel and hammer that most miners carried? The answer didn't lie in one swift blow but in a series of calculated actions. The miners would hold their chisel in just the right place on the boulder and then, using a sledgehammer, strike the rock many, many, many times. Eventually even the largest obstacle crumbled, but what caused the rock to break? Was it the first blow, or was it the last?

The miners were able to overcome their obstacle and achieve their goals by using a process. No blow on its own was enough to crack the boulder, but by following the system step by step, they were able to succeed with only a chisel and a hammer.

This system is your chisel and hammer. By following these steps in this process, you can achieve the goal of getting your clients involved in club memberships. However, you must follow the whole process. Simply doing one of these steps or doing them out of order, won't get you results. You have to follow the process to achieve your desired results.

The Club Membership Success Cycle is based on building value with your clients. The club membership will only hold the value that your clients see in it. With that in mind, every action you perform in a service call affects the value your clients see in you, your company, and the products and services you offer. If one of these value-building actions is absent, the system will not be as effective.

To maximize your effectiveness at involving your clients in your Club, start building that value throughout the service call. Your process starts with these 6 Value Builders.



Value Builder #1 — What you see is what you get

What do your clients see when you pull up to their home? Do they see professionalism from the way you park and dress, or do they see sloppiness and disregard? Value Builder #1 may be the most important one of all because it sets the stage for your service experience, and it sets the stage for the value your client will perceive from you.

Building trust and rapport with your clients is vital to your success with Club Memberships, and to do that, you should follow the strategies that are laid out for you in the Power Performing Technician. These strategies and the techniques taught at the Success Academy will increase technician performance on repair opportunities, scheduled service calls, lead generation, as well as club membership participations.

Where does building this value start? It actually starts before you even arrive at your client's home. Before you pull up to their home, be sure to check your uniform. Is it clean and professional? Does it smell like your last call? Are you smiling? Are you clean-shaven? You should check all of these items before you pull up to your client's home because the moment you arrive, you begin the process of building value.

Your client will actually see you *before* they speak to you, so your visual presentation will be the first determinant of the value they see in a club membership. It all starts with

having a smile and a quick step as you approach their home. This will show your client that you are happy and proud to be at their home.

In your client's mind, what they see is what they get. Let them see that the most professional HVAC company is arriving at their home to protect their comfort.

Value Builder #2 — The Thermostat Question

After you've entered your client's home and followed the correct introduction procedure outlined by the Success Academy, you're presented with your next Value Builder. The backbone of the club membership program is the preventative maintenance your clients receive to keep their system running in top condition. To build the value of that maintenance, you should first inquire what your client has done in the past to care for their system.

While at your client's thermostat with them, here is an example of how you might phrase this question:

> *"Mary, virtually all manufacturers, utility companies, and consumer protection groups absolutely recommend that you thoroughly service, clean, and calibrate both your furnace and your air conditioner each year to help prevent future breakdowns, extend the life of your system, and especially to make sure that everything is operating efficiently so you don't overpay on your energy bills. Do you know when the last time was that both your furnace and air conditioner were fully serviced?"*

A less extensive way to phrase this question might be:

> *"Mary, virtually all manufacturers, utility companies, and consumer protection groups absolutely recommend that you thoroughly service, clean, and calibrate both your furnace and your air conditioner. Do you know when the last time was that they were both fully serviced?"*

At the very least, you should ask your client:

> *"Mary, when did you last have your furnace and air conditioner fully cleaned and serviced?"*

By using one of the first two examples, you introduce the "third party" element, which will add credibility to your future recommendations for having their system serviced. Without those endorsements, your client may feel you are trying to "sell" them on doing more work instead of doing what is right for their system. Using one of the first two statements builds trust and rapport with your clients.

After asking the above question to the client about their last service, it's a good idea to add the following to get your client's authorization to make further recommendations for their system.

> *"Mary, I don't know if I will or not, but while I'm checking your system, if I happen to discover anything that you should know about or could give you problems down the road, would you like me to share that with you? (Sure) OK. Like I said, I don't know if I will or not, but if I do, I'll be sure to let you know.*

This question gives you the "green light" to share other options or recommendations for repair, cleaning, or other products or services your client might benefit from.

If your client has performed regular maintenance on their system, then you are in luck. That shows that they understand the value of routine maintenance and may be more willing to invest in a club membership as a result. If they have not had their system maintained, then you are presented with an opportunity to set up the value further. Ask them some further questions about their system and show genuine concern for what could be going wrong with their system. You have, without a doubt, encountered numerous dirty and inefficient systems that would have been in much better condition with routine maintenance. Let your client know these examples to build the value of routine service for each component of their system.

Value Builder #3 — StraightForward Participation

All of the information you'll need to present the club memberships to your clients comes neatly packaged in the StraightForward Pricing® Guide. A vital step in building the value of your service and the club memberships is to have your clients read all the information contained in the StraightForward Pricing® Guide.

When you present your clients with the StraightForward Pricing® guide, there are two statements you should use to build their expectation for reading the guide. First, mention the following:

> *"Our club memberships can save you a lot of money on your future service — and maybe even save you some money today."*

Don't worry about building the idea of the client wanting or receiving a discount today with this statement. You'll be able to clarify this later in your presentation when you present your recommendations and their options. For now, it is important to build expectations so your client will see the value in the StraightForward Pricing® guide. Your clients will welcome the opportunity to save money whenever possible, so be sure to let them know it's important that they *read* the club membership information.

The second item you should mention to your clients when you hand them the guide is that you'll be reviewing it with them later. This will let them know they should read it in the meantime. Present this information like this:

> *"Mary, after you're done reading, I'll be sure to review the guide with you later and answer any questions you might have. Be sure to read through it because there is some really good information in it."*

Later in the call, you will take the time to review the club membership information with your client as you mentioned here. At that time, simply ask:

> *"Mary, did you have a chance to look at the information on the club membership?"*

If your client says yes, say:

> *"Great! Let me take a moment to review it with you so you know what your options are."*

If your client replies that they haven't had time to look at the information yet, your response will basically be the same. This is one of the steps developed in the Power Performing Technician class with Success Academy.

Value Builder #4 — Show and Tell

A great opportunity for you to build value comes when you are examining your client's system. Ideally, they should be there with you so you can point out items to them. By showing your client the problems and explaining the lost efficiency from a dirty blower wheel, dirty burners, and other components, you'll build the value of maintaining the system.

Here's a simple example of explaining this to your client:

> *"Mary, see these coils and fins on the outside of your air conditioner here? (Yes.) Well, these fins are designed to transfer heat. You might think of them as the fingers on your hand. If your fingers are trying to give off heat, and you put a glove over your fingers, what will happen to the heat? (It will be held in.) Exactly, and with these fins, if it is harder to transfer the heat, the system will have to run longer and work harder. And if your system has to work harder, it can stress the unit and shorten the life of the system. Plus, when it runs longer, what happens to your utility bill? (It goes up.) Mary, we can leave it dirty and take our chances, or if you want, I can go ahead and clean it up for you while I'm here and make sure it doesn't continue to waste any more energy. What would you like me to do for you today? (Clean it.)*

This scenario represents doing what is in the best interest of your client. By presenting the problem to them and giving them the option of cleaning it today, you are never "selling" anything to them. You are merely presenting them with an option for improving their system. You are building the value of maintenance and the club memberships by presenting your clients with options.

Value Builder #5 — For Your Safety

You have another fabulous opportunity to build value for your clients while you are performing the safety inspection of your client's system with the Inspector as directed in the Power Performing Technician's class.

- If your client's combustion chamber is under warranty:

  Whenever you are viewing the inside of a combustion chamber that is less than 10 years old, you will invariably see anomalies beginning to form along the walls inside the chamber. Your clients will also be able to see these anomalies with the Inspector. When discussing the importance of safety with your client, it's important to reinforce the need to have the system checked each year to be certain there are no safety issues while the system is still under warranty. You can reinforce this by saying:

  *"Mary, can you see these spots where the interior is beginning to change? (Yes.) Well, **we really want to keep our eyes on those spots** and make sure that we check and track this every year to make sure that it doesn't get any worse and/or to ensure that we catch any problems with this part of the system while it is still covered by the warranty.*

  "By the way, you know the discount service program I mentioned before? (Yes.) This entire Hydrolean safety check, including the use of the Inspector, is included in the Club Membership program so that you never have to pay extra for it. Pretty nice, don't you think? (Absolutely, that is great.) Yes it is, and it makes me feel a lot better as your technician, because I know that your system is safe to operate, plus I can show it to you too so that you know."

- If the combustion chamber is **not** under warranty:

  "Mary, can you see what is happening with the condition of the interior of your combustion chamber? (Yes.) Since this system is out of warranty, that's really something that we want to keep our eyes on to make sure that we check and track this every year to make sure that it doesn't get any worse and/or to ensure that we catch any problems before they become a safety hazard. The reason I mention this is simple — when will something fail? Just before your warranty expires, or just after your warranty expires? (One minute after it's up.) That is the way it always seems to happen. So since your unit is past (or close to the end of) its warranty, we really need to keep our eyes on it to make sure that no further safety issues develop that could affect you."

Remember, it's not a matter of if a combustion chamber will fail. It's a matter of WHEN it will fail. The club membership lets us properly serve and protect the safety of our clients. If you've properly educated your client on the importance of safety **before** you show them the interior of the combustion chamber, your client will agree with and see the value in your recommendation.

For your clients, seeing is believing. By using the Inspector on each of your calls, you have a powerful way to visually build value. Your client will be able to see the interior of their system and see how the system wears out including the rust, corrosion and combustion products that build up.

They will also be able to see any cracks or ruptures for themselves. With that in mind, the Inspector becomes a valuable benefit to being involved with a club membership. After you've shown your client the interior of their system, you can reinforce the value of the inspector by adding:

> *"By the way, you know the discount service program I mentioned before? (Yes.) This entire HydroScan safety check, including the use of the Inspector, is included in the Club Membership program so that you never have to pay extra for it. Pretty nice, don't you think? (Absolutely, that is great.) Yet it is, and it makes me feel a lot better as your technician because I know that your system is safe to operate, plus I can show it to you too so that you know."*

The idea to remember in this situation is that no matter what the age of the system, you always need to keep it maintained and know that it is safe to operate. This is a crucial opportunity that must not be overlooked by you, the technician. It's vital that you inform the client that using the Inspector is a tremendous value that is included in the club membership program.

Value Builder #6 — Financial Incentive

Your final opportunity to build the value of the club membership comes at the end of the service call. This final option is to present some kind of financial incentive to your client. However, you do **not** want to devalue the service you've offered on this service visit and try to "buy" your client into the club membership by offering a discount on today's repair or cleaning recommendations or the service fee.

When discussing the upcoming repairs during the service opportunity or while discussing the list of recommendations, let your client know that they will probably save money today. For example, after you've explained the importance of regular service, you might say:

> *"Mary, you know the discount service programs we've talked about? (Yes.) Well, I'll be sure to review those with you because you're probably going to save quite a bit of money today under that program."*

Also, be sure to let them know that all future cleaning, maintenance, calibrating, and routine service is included in the Club Membership program so that you never have to pay extra for those items.

Your Recommendations

At this point, you should have built the value of the club memberships throughout your entire service experience. Now, it is time to make your recommendations to your clients. Just as the entire club membership program has a process you should follow, making your recommendations to your client has its own process. By following this process developed by the Success Academy, your clients will most often follow your recommendations of what is in the best interest of their systems and safety.

1) Make your recommendations

The first step is to list on paper all of your recommendations for bringing their system up to "factory-fresh" condition. Your list should include everything that they will need to do to make their system right for any club membership. You should also include the replacement of any marginal or weak components like an old ignition component or a worn contactor.

2) Your Client's Choice

Once you have made your recommendations in the middle of your paper and listed the repair amounts on the left- and right-hand sides of the paper (see example on following page), ask your client if they would like to take advantage of the savings. The savings will be shown on the right-hand side of the paper where you will include the future tune-up and minor "value-added" repairs. Here is where you will bring together all of the benefits of the club membership so your client can justify their decision.

$ 79	*Diagnostic*	$ 79
	OK — Compressor, contactor, relays, charge, fan motor, etc...	
$189	*Dual Capacitor*	$189
$ 99	*A/C Clean and Tune-up*	$ 99
$ 79	*A/C Clean and Tune-up after Customer Currency is applied*	$ 79
$ 99	*Furnace cleaning and Tune-up Burners, purge blower, gas pressure*	INCL.
$ 99	*Blower assembly clean/oil motor*	$ 99
$ 59	*Repair Copper pipe insulations*	INCL.
$604	Save $158	$446 C.M.

Here's how you should present these options:

> *"This side on the left is our Straightforward Pricing, and your total investment comes to just $604 today, which includes the $20 discount off your air conditioner service, which is usually $99 and will bring your air conditioner to factory fresh condition.*
>
> *"If you would like to get the savings from a club membership today, my company will let me include the furnace service and the other minor repairs we discussed earlier at no charge as part of the membership." **

A superstar strategy here is to circle the amount of savings and say:

> *"Mary, would you like to get this savings from the Club Membership program today?"*

Since most clients want to pay less, they will usually ask you how the club works at this point. Now is your chance to bring together all of the benefits that you've mentioned throughout the service experience, and it leads you into the next step.

*Many companies have determined that, due to call scheduling, it becomes a dispatching challenge to conduct the furnace tune-up at the same time as they do the A/C tune-up. Therefore the furnace tune-up becomes a value-added service. You should state that it is included (which it is for Club Members), and then let your client know you'll return in the fall to perform the furnace tune-up. This allows you to handle the calls already scheduled in a timely fashion without compromising and overloading your entire schedule.

3) *Club Membership Presentation & Client Selection*

The next step in the process is explaining the three levels of the club membership to your clients and allowing them to choose which club membership they are most comfortable with.

Most often, your client will immediately choose to join a club membership once they see the savings they will receive in the right-hand column of your recommendations. If they don't decide right away to go ahead with the savings, they will most likely ask you for more information about how the club membership works. In either case, the door is open for you to present the three levels of club membership investment.

Before you explain the three levels, however, it is effective to let your clients know a little bit more about the clubs in general.

> *"These membership programs were put together based on information from our clients just like yourself. Mary, these are really great programs because they keep your system running efficiently, and the last thing most of our clients want to do is overpay on their utility bills.*
>
> *"The other advantage of these programs is that they help you prevent future breakdowns, protect your safety, extend the life of your system, and help protect your comfort in the unlikely event that you need priority service. These programs are a tremendous value to people because if we can prevent future breakdowns and make sure your system is working properly, you'll save money, frustration, and time down the road."*

From there, you can begin to introduce your client to the club memberships. You should always begin your presentation with the platinum membership.

Platinum membership

"Mary, we have three different memberships. Let me start by sharing our platinum membership with you. The platinum membership provides you with our very best, elite service, what we call prestige service. What this means, Mary, is that as a platinum club member, you're guaranteed same-day appointments, meaning that if you call in we drop everything and come to see you above everybody else. If you call during business hours, we're going to show up before we're done with business that day, it doesn't matter if we have to come out at 11 o'clock at night. If you call us at night, we're going to see you as soon as possible the next day. You get our best priority response.

You also get free service on system rejuvenation. That means any time we see components in your system that are starting to go bad, we will act proactively, with your authorization, and replace those components under this program. All of your future routine service and cleanings are also included in this program so you never have to pay extra for those. You know the blower that we are cleaning today? (Yes.) Well, in the future, you'll never have to pay for that, or any other cleaning or servicing of your air conditioner or furnace. Plus, you get free repairs with no exclusions, and those repairs are defined as anything in our StraightForward Pricing® Guide up to a Level 5 repair. Of course, Mary, if your system has repairs that exceed the Level 5 amount, it is like having a car with 200,000 miles on it with an engine that blows up. When that happens, do you get a new engine or do you replace the vehicle? (Replace the vehicle.)

"Right, and this is kind of the same. If you exceed a Level 5, it is time to replace your system for one that's more efficient. Also with the platinum membership, you receive free diagnostic service. Today, we had a $79 diagnostic and evaluation fee, but under our platinum club membership, you don't pay a dime for that. We'll come out to your home for free. Mary, how many people do you know of that will come out to your home for a service call and not charge you for it? (Well, not many.) Yeah, it's a nice benefit, isn't it?

"How the platinum membership works is that you receive free diagnostic service and, additionally, 100% of your unused credit balance can be applied to a new heating and cooling system in the future. What that means is that when you invest the $29.95 per month, you are creating a credit balance toward a future replacement. If you go along for 4 or 5 years with only the regular service needed for your system, when you

decide you want to replace your system, we credit 100% of your unused credit balance, that's the balance that hasn't been used for any regular service or repairs, toward the replacement of your heating and cooling system.

"The platinum membership lets you build a fund to put toward a future replacement. It also gives you our very best level of service and response, and it's a tremendous program."

Your client may elect to choose the platinum membership right now. If that is the case, then you should proceed with discussing the bank authorization. However, most clients will want to hear more. From the platinum membership you can transition right into the gold membership.

Gold Membership

"Our next level is the gold membership. The gold membership is very similar to the platinum membership, except in the gold club membership, you are guaranteed appointments within a 24-hour time frame. That means if you call in at noon, we guarantee that we'll be here by noon the next day, no matter how cold or hot it is.

Mentioning your 24-hour policy gives you a good opportunity to mention your 100% money-back guarantee to let your client know that you stand behind your promises.

"Incidentally, Mary, we make these promises to you, but I know as a client there may be the question in your mind, and, if there's not, I want to share this with you. How do you know we're going to do what we say we're going to do? Many companies say they're going to show up, but it's another thing to really do it, right? (Right.) The reason you can be sure we'll be here in that time frame is that we offer a 100% money-back guarantee on everything we do in your home for a full year. So, if we tell you we're going to be there, we're going to be there within 24 hours. If we don't show up, that means one of two things. We'll either have to return all of your money from the past year that you've invested in our club membership because we haven't lived up to our promises. Or, we're going to have to do something different. Now, do you really think we want to give you all of your money back? Is that good for our business? (No) Exactly, so what happens is that if we don't show up within our timeframe, we're actually going to give the whole next year of your club membership at no charge. Do you think that's something that's a great motivator to make sure we're here when we say we'll be here?

(Yes.) Absolutely. Isn't it nice to know that we offer that type of guarantee that we're going to perform the service we've promised and if not, we're going to take care of you? (Yes.)

"With that in mind, you're guaranteed appointments within 24 hours with the gold membership, and this also includes all your future major service and cleaning, just like on the Platinum Club. So, all of your service and routine maintenance is totally included in the future with the gold membership. It's all included in the $19.95 investment.

The gold membership does not build a replacement value like the platinum club membership does, but you still get free repairs up to a Level 5. If you go over that amount, like we mentioned before, it's probably time to replace your system. There is also no diagnostic charge to come to your home. It's all covered."

Again, if your client at this points elects to join one of these club levels, you would proceed with the bank authorization. However, if your client would like to hear more, you continue on with the silver level.

Silver Membership

"Finally, we have our basic priority membership, which is our silver club member. As a silver club member, you're guaranteed appointments within 48 hours. You get a free, full precision tune-up with all future routine service and cleaning. You also receive a 20% discount on any repairs that we ever have to do for you. If we have to come out to your home, your diagnostic under the silver membership would only be $19.95.

Now is also a good time to mention several other points about the club membership before you ask your client to make a choice of what's best for them. Continue by saying:

"Keep in mind, Mary, that one of the things our company has determined is that time is important to our clients. I don't know Mary, are you like me, and most people, where you just seem to be busier than ever? (Yes.) Well, I'm that way too. So, one of the nice things we do under these memberships is that we'll call you to schedule your tune-up so you never have to worry about remembering to call us each year. Then, when we come to your home, instead of coming out twice a year and inconveniencing you that way, we've made it possible to come out and do all of the service work at one time. For example, today, we're going to take care of all of your air conditioning maintenance.

Now, when we come out in the fall, we'll not only do all of your furnace maintenance, but we'll go ahead and get your air conditioner cleaned up and ready to roll so that when summertime rolls around, you won't have to take time off to worry about it. So, there are no hassles for you.

"So, Mary, these are our three membership options — platinum, gold, and silver. As you look at these three membership options, Mary, which one do you think makes the most sense for you and your home? (Selects)

It's important to give your client the time to choose that level they feel most comfortable with.

Allow your client to choose their membership level because once they've agreed to one of the three memberships, they are more likely to see the value and continue with the club membership for years to come.

If your client mentions that they would like to think it over, you can go right into #4 to handle this objection. However, if they have made a firm decision about which club they would like to join, you can move on to handling the bank authorization concerning their club choice.

4) "I want to think it over."

There is a good chance that at this point, or some other point, in the process you will encounter the objection, "I want to think it over." This is easy to handle, and since you know that it will frequently come up with your clients, you should initiate the process of handling it by bringing it up yourself. This can be done by saying:

"Mary, this is a really great program and there are no 'catches' to it. If you like it, and it works for you, then keep it. If not, then you can always cancel it and handle your system the other way (point to the side of your paper with the higher investment). But I'm pretty sure that your spouse will be glad to know that you saved money, don't you? (Yes.)

"But one thing that most people tell me is that they would like to be able to talk to their spouse and have time to think it over. Would you like some time to think it over too? (Yes.) If you were going to think it over, how many days would you need? (Oh, two or three.) That's what most people tell me, and then, after that you would be comfortable with your decision? (Yes.)

"Well Mary, that might be enough for you, but at our company, it's not enough. You see, we give you a full 30 days to think it over. (Get ready to present and utilize the client currency for 1 month free club membership as your offer is professional and has credibility.) You'll have all the benefits and protection free for a full month to make sure that you are comfortable with our company and the work we have done for you. If at any time in a full month you're not 100% satisfied for any reason, in 30 days, 4 months, or whenever, just let us know and we'll discontinue your program. Do you think that 30 days is enough time to think it over? (Yes.) Ok, Great!

5) Bank Authorization

The final step in your process is to let your client decide how they would like their bank to authorize the small monthly investment. This objection comes when your client is challenged with handling the club membership monthly. Handling this objection is quite simple once you know how to approach it. Your client will respond to the logic of what is safe for them and what is good business for everyone involved. To introduce this decision to your client, you may say something like this:

"Mary, like I mentioned before, this program was put together based on input from clients just like you. They told us several key things. First of all, and let me ask you, are you like me and most people in that you like to leave your money in your bank and earn interest on your money instead of someone else getting it? (Absolutely.) I'm the same way, and the reason I bring this up is that one of the things that our clients told us up front is that they don't like to prepay for services that they haven't used yet. Because, if you prepay, and then maybe get down the road 4 months and find out that you're not satisfied, what kind of hassle might you have to go through to get your money back? (Client rolls their eyes and grunts.) Exactly! In fact, our clients have told us that prepaying for something you haven't used yet is just plain bad business and asking for trouble. Instead, what they did want to do is pay as they go, and without it being a big hassle for them or us.

"Mary, you can handle your club membership one of two ways. First of all, please understand that your finances are your business, not ours, so we require that anything that happens must be controlled and authorized by your bank. That way you are protected and no one has their nose in your private affairs.

"With that in mind, you can have your bank authorize this in two ways. One of the ways is to have your bank authorize the membership by issuing or writing the check for you each month electronically. (DO NOT SAY DEBIT OR AUTOMATIC.)

"The other way is that some people have their bank authorize it to by using a rewards card that gives them airline miles or other perks. They prefer to have certain items put on a rewards card or credit card for the benefits they get. So if you want, you can have your bank authorize it for you that way.

But Mary, it doesn't matter to us either way. How would you like your bank to authorize this for you?"

If your client asks to pay for the year in full, politely tell them that the club is not set up that way, and besides, that's not really good business or the best way to protect your clients.

If you do decide to offer an annual program to your clients, though, you MUST make it a different investment than the monthly club membership. It should represent more of an initial investment. For example, a Gold membership is $19.95 per month, or $239.40 a year. If your client is requesting to pay for the Gold membership up front, you must charge an extra amount to cover your administrative costs, say $289.40 per year. You could present this option to your client like this:

"If you want to pay on a yearly basis, we do have an option available to you. For a yearly basis, your investment would be $xxx.xx. You wouldn't be eligible for the free month of membership. Wouldn't you prefer to go with the monthly investment of only $19.95, which includes the one month of free membership and all the benefits, and the special repair discounts today?" (Show your client the free month membership voucher.)

6) *Objection Handling*

There are a few objections or concerns that do arise when your client is deciding which club membership is right for them. The main objections you'll encounter to the club membership are that:

- They "don't see the value"
- They want to think it over, and
- They are uncertain about making the monthly arrangements.

If you don't build the value of the club membership and make sure they know they can enjoy peace of mind, you will never have the opportunity to retain them as a true, long-term client. They will not be protected in your Vista Shield, and they'll be susceptible to your competitors' offers.

Thinking it over is a common objection that you can easily handle with the script from Step 4 of Your Recommendations. There is really no need to worry about the majority of your clients canceling once you give them time to think it over. There isn't really any noticeable risk to the company if your client decides to cancel. Most companies that track their numbers have experienced that fewer than 3% of their clients cancel once they are on the program. Most homeowners are honest people who aren't looking to take advantage of a technician and a company who have just given them excellent service.

Additional Objections

There are two other common objections you may encounter while building the value of the club memberships. Here are these objections and the appropriate scripts to handle them.

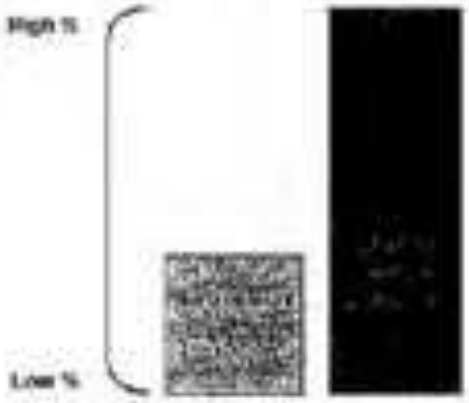
Are today's repairs covered?

> *"This program is very similar to health insurance. It provides protection for you, but it doesn't cover or include any preexisting conditions. For our programs, we start by rejuvenating your system and doing any repairs or cleaning needed to bring your system to factory fresh condition. After that, any future repairs, up to a level 5 investment, would be covered under your club membership on the Platinum or Gold Membership."*

Some companies will attempt to "buy" a club membership at this point. They'll do this by discounting today's repairs. Before you employ this strategy at your company, perform an analysis to determine if this decision makes sound financial sense.

For your company, it means a lower revenue on this call. If you are performing a $500 repair for your client today, and you give them a 20% discount, that amounts to giving your client $100. However, the investment they put into your club membership may only amount to $143.40 ($11.95 × 12). That means, in essence, you are only collecting $43.40 for the scheduled service calls you will perform for them over the next year. The fact is that you are not generating enough revenue to meet your goals by discounting the repair today.

For your clients, offering them a discount today will diminish the value they see in your club membership. They may decide to enter a club membership because they will get a discount today and not because they see the tremendous amount of value that it really offers. When this is the case, they are much more likely to cancel. When your client sees no value in the club membership, they will cancel it. When you discount the repairs today, you are discounting the value of the club membership.



Club Membership
Cancellation Rates

Why would I want a club membership if I have a parts and labor warranty?

> *"Do you get routine oil changes for your car? (Sure.) By doing the required maintenance to your car, you are extending the life of it. However, if you did not do the scheduled service as required, and then your engine blew up, what do you suppose the dealership would say to you if you told them you wanted a new engine anyway? (They would laugh at me.) Your system runs the same way. You must do the recommended maintenance on your system to protect your warranties. If you do not do the required scheduled service, you risk assuming all the liabilities for parts and labor, plus you lose operating efficiency and end up overpaying the utility company."*

Please note that the client does receive a "renewal" discount from you when you have installed their system because you are already providing parts and labor under warranty for a certain period of time. After the warranty expires, then they revert to the normal investment amount.

Additional Questions and Scenarios you may encounter:

How do I present the value of a club membership to a client that is rarely using the home? (e.g., Vacation home...)

The technician should find out the answers to the following questions to help the client understand how the club membership is still beneficial to them.

Do they invest in extended warranties? If proper maintenance is not done, these warranties could be voided.

When is the worst time the system could break down? It would be very discouraging to go to your vacation home and find that the furnace or air conditioner is broken and now you have to be bothered with a nuisance when you are supposed to be relaxing. Wouldn't they want peace of mind that when they arrive for their vacation, they will be comfortable?

If they really only use the air conditioner, because they live in a warmer climate, explain to them that if the club membership is on the A/C, the furnace/air handler will be included for free. The same scenario goes for a client that may live in a colder climate and predominately uses their furnace. Under the club membership, their air conditioner would be included, too.

What if on their furnace, the pipes explode and they live nowhere near their vacation home? If they invest in a monitoring device for their system, and the heating/air conditioning company was able to come in to fix the problem before any major property damage was done, would that be worth the investment?

"Why do you only do one tune-up a year?"

"We have found that it is more convenient for our clients to do the entire system rejuvenation in one visit. I am sure you are extremely busy like most of our clients, and it is hard for you to fit one more appointment into your schedule. You see, in the past when your service company came out twice a year they would perform a tune-up on your air conditioner on the first visit and a furnace tune-up on the second visit. You were still receiving a total system tune-up, but it was just spread out between two visits. We value our clients' time so we have combined our system rejuvenation into one visit to save you time."

"I have two systems but I only want to purchase one club membership."

You must educate your customer on the value and benefits of having a club membership for each system. All of their systems must be maintained.

"How many cars do you own?" (Two.) "Now you maintain both of those cars, you take both of them to get their oil changed when they each reach around 3000 miles, right? You wouldn't just maintain one of them?" (No.) "That is the same thing with your systems, they each work independently, so you can remain comfortable in your home. If you only maintain one of them, you will have increased utility bills from the other, and its life will be shortened."

If the homeowner still only wants one membership, go ahead and help them with that system, but be very clear that if the other system needs service, regular StraightForward Pricing® repair levels and diagnostics will apply.

By following this process, you will be presenting your clients with all of the value that club memberships hold for their system and their comfort. You'll be able to present the membership in a way that your client can easily choose which level is in their best interest.

However, remember that just like the miners in the Old West, it is the whole process that makes this effective. No step on its own is enough to show the value of the club membership or show your clients why they should join. By following this process all the way through, you'll be presenting your clients with an option that is in their best interest in a way that they will easily understand.

By following this cycle, you will experience Club Membership Success.

Manager's Meeting Guide

Why hold a meeting?

To successfully implement the club memberships into your business, your team has to buy into the program. Your technicians, especially, must see the value that club memberships bring to your clients every day. Only by seeing that value and believing in the program will they be able to show your clients why club memberships are in their best interest.

With that in mind, this section is a walkthrough for your company meeting. The scripts included here are only a suggestion for what you could say within your meeting, and you can tailor them in any fashion you would like. You'll also see five sheets ("Above & Beyond") that you should copy to hand out to your technicians during this meeting so they can follow along and get involved.

This meeting will cover the levels of service, the challenges homeowners, technicians and companies face in the HVAC world, and how club memberships benefit everyone.

What you'll need for your meeting:

- Copies of the enclosed note sheets ("Above & Beyond") for your technicians to follow along
- Pens for them to write
- $250 (Two $100 dollar bills and one $50 bill)
- Small wastebasket near where you are sitting
- The number of clients you have with agreements
- The number of contractors licensed in your area – you can obtain this by counting in the phone book
- ***Optional:*** PowerPoint Presentation downloaded from the Contractors Services website

*Script note: Throughout the script, the italicized portion is the manager who is running the meeting. Any portion marked by (T) is the technician's response or answer.

"In the world today, there are five levels of service. As we go through these, just follow along and fill in your book."

No-Shows

The first level is The No-Shows. Think about going to a restaurant. If you were in, sat at your table, and no one ever came to help you, that would be an example of no-show service.

Barely Get-By's

The second level is The Barely Get By's. This would be the waiter who comes to your table to take your order, brings your food, and drops off the check.

Average Service

The third level is Average Service. Average service at this restaurant might be a waiter who checks on you a couple of times and refills your water.

Good Service

The fourth level is Good Service. Good service would be someone who constantly checks on you. They would be positive and upbeat with a smile. They would make conversation with you at the table, and get your food to you in an efficient manner. In short, it would be what you expect.

Above & Beyond Service

The fifth level, though, is Above & Beyond Service. This is the type of service that goes the extra mile. With this service, the waiter would do everything you'll expect with good service, but they might make recommendations for that night. They might help you pair a wine with your food. They would be able to tell you everything about the way the food is prepared. This is the type of service you rave to others about. They turn a routine dinner into a pleasurable, fun event and make it an experience to remember.

Page 3:

"Our service is designed to solve the challenges that our clients face. So, let's explore some of the challenges that homeowners face with HVAC."

Inopportune Breakdowns

Our clients have to deal with their equipment breaking down, especially during the hot or cold season. If their system decides to break down in December amid the holiday rush, things could get quite chilly for everyone staying with them from out of town. Our clients may also have to deal with a breakdown as they're getting ready to leave on vacation, or while they're on vacation.

Timely Service

When everyone else's system also breaks down, they have to deal with finding someone who can get to their home to fix their system. If it's a really busy week, they may have to wait days for service or take off work to wait at home for the technician to show up.

Expensive Repairs

The cost of repairs can be substantial for homeowners, and paying for them can become a challenge if they haven't budgeted for repairs. Most HVAC breakdowns are unexpected and therefore unplanned. These homeowners have put their system out of sight and out of mind, and they haven't planned repairs into their budget.

Expensive Replacement Costs

Replacements are a major expense for our clients, and when it comes time to replace their system, this could become a financial burden to incur that kind of investment.

High Utility Costs

Utilities seem to be getting more and more expensive, and our clients are feeling that sting as well. For most homeowners, utilities are one of their largest monthly expenses.

"Those are the challenges homeowners face with HVAC, but what are the challenges that technicians face in this industry?"

Emergency Calls

If a client's system breaks down on Sunday afternoon during the Super Bowl, who's going to want to go and fix it? No one's going to want to leave their warm home and go fix a furnace, but that's why we're here. By the same token, no one really wants to get woken up out of a deep sleep to leave their cozy bed and go fix a compressor.

Inconsistent Workload

No one likes the works where there isn't enough work to go around, but with the changing season, it can happen sometimes. Then you have to worry about getting money to pay your bills, and it just adds a lot of stress.

Layoffs

This is the scariest one of all, and it's something no company ever wants to have happen. However, it's always a possibility as the industry ebbs and flows.

Difficult Clients

Usually no one is happy when their system breaks down on the hottest day of the summer. They're usually even less happy when you have to present them with the bill for that repair. So, facing difficult clients is a situation you have to deal with in this industry.

Limited Income Opportunities

We are fortunate to be able to pay some of the highest wages, if not the highest, in the area, but many technicians do not have this same income-making ability.

Page 5:

"Now, let's take a look at the challenges HVAC companies face in this industry."

Competition

We face a tremendous amount of competition. Just in our market there are _____ contractors. Today, we must also face the pressures of Big Box retailers. They are trying to attract our customers. Manufacturers are also trying to attract customers so they can serve them directly. So, we face a lot of competition to attract customers today.

Client Attrition

We have to worry about our clients leaving us and going to the competition. Some of our clients will move. Some of them will just stop using us. Some of them will die. It's inevitable. We're going to lose some clients, but the challenge we face is retaining the ones we do have.

Marketing Difficulties

There are a lot of companies doing direct marketing today. I'm sure all of your mailboxes are full of junk mail all of the time, right? See, that's why it's tougher than ever to break through all of that and reach customers.

Cyclical Work

As you know, there are times when we are busier than others. Some weeks things get a little slow, but the challenge with that is that our costs still stay the same. We still have to pay our bills and pay you guys and keep things going here. So, slow times are a challenge to create the revenue we need to keep going. We still must pay the rent, make truck payments, pay insurance premiums, etc... and it's the same amount whether we have a great month or a terrible month. We still have to pay the bills.

Page 6:

"Since we are striving to go Above & Beyond, if we could eliminate or reduce the challenges that our clients face, that you face, and that the company faces, should we explore how?"

Page 7:

Painful Problem Fixer

"Before we start talking about HVAC companies, I'd like you to think about your dentist for a moment. There are really two types of dentists. The Painful Problem Fixer would want you to come in with a cavity so they could fix it and make a profit. They wouldn't tell you the best way to floss and brush. They wouldn't tell you the information you needed to avoid the problem, since their profit comes from fixing your teeth instead of preventing problems."

Pain-Free Problem Preventor

"Then, there is the Pain-Free Problem Preventor. They would be proactive with stopping problems before they start. They would show you the proper way to brush, and they would tell you the proper way to floss. They would show you everything you can do to prevent problems. They clean your teeth and fix cavities before they become serious and require more expensive repairs like crowns."

"If you were a dentist, which one of these would you rather be?"

Page 8:

Painful Problem Fixers

"There are also two types of HVAC companies. There are the Painful Problem Fixers who simply wait for systems to break down so they can swoop in and replace them and take home the money. They don't do anything to help clients prolong the life of their systems or reduce energy consumption. They don't offer any recommendations for minor repairs, because they want the system to worsen and break down."

Pain-Free Problem Preventor

"The other type of HVAC company is the Pain-Free Problem Preventor. These companies work alongside their clients, with an interest in preserving their clients' systems. They have their clients' best interest in mind at all times. They suggest minor repairs knowing that it may save the client from a big breakdown later on. They are always looking for ways to improve the efficiency of a client's system to reduce their utility costs."

"When you think about these two types of companies, which one would you rather be?"

Page 9:

"We all want to be the Preventor to help our clients rather than prey on their misfortune."

"To do that, we must do several things. First, we must strive to reduce breakdowns. To do this, we must maintain the systems of our clients."

"Second, we must strive to reduce expensive repairs, and third, we must strive to reduce expensive replacement costs by extending the life of our client's system. To do both of these, we must make recommendations for smaller repairs that will help stave off larger ones, and we must properly maintain the system."

"Fourth, we must strive to reduce our clients' utility consumption. If we are properly maintaining and repairing our clients' systems, they should run more efficiently and use less energy."

Page 10:

Scheduled Service

"So, the key to being a Preventor is performing scheduled service (routine maintenance) on our clients' systems. Routine maintenance will

A. *Reduce breakdowns,*

B. *Reduce expensive repairs,*

C. *Extend the life of the system,*

D. *Reduce utility consumption, or*

E. *All of the above!*

"Performing routine maintenance on our clients' systems will do all of the above for them, and that's how we become Preventers."

Page 11:

"With our focus on becoming Preventors, let's take a look at the scheduled service we have to perform to become Preventors. Right now, we're going to design the perfect Above & Beyond annual scheduled service."

Page 12:

Designing the Perfect Scheduled Service Visit

"What we're going to do here is list all of the procedures you would perform on the perfect scheduled service visit. Then, for each of those procedures, we're going to go across and evaluate each of them on the list for each of the categories.

For instance, let's start with "Change Filters." Changing the filters would be one of the procedures you perform on a maintenance visit, so list that as Number 1. Now, let's go across and evaluate that procedure in each column.

Does changing the filters reduce breakdowns? Yes, it would, so put a check mark under that. Does changing the filters reduce expensive repairs? Yes, so put a check there. Does it reduce utility costs? Yes, so check that column.

Now, what percent savings on utility payments do you think our clients would see from changing their filters? (Decide on an amount and put that in this column)

Does changing the filters extend the life of the system? Yes it does, so check that column. How many years do you think changing the filters regularly would extend the life of the system? (Decide on an amount and enter it in the last column.)

Now, we're going to go through these two pages and do that same thing for every procedure you perform in a scheduled service visit."

Scheduled Service Value and Totals

Once you have completed the perfect scheduled service visit sheets for both the Air Conditioner and the Furnace, total up the percent savings and the # of years on each page.

"Now let's see what the total savings for our client would be with scheduled service visits like this. For the air conditioner, we have a total percent savings of X%. We said that our annual Cooling bill would be $Y so, X% of Y is $_____ in savings for our client. So, write that amount in for the air conditioner value to our client."

This amount is a percent of their total cooling bill. If your annual cooling bill was $1000, and all of the procedures in the tune-up totaled a 20% savings, then the value to your client would be $200. ($1000 x 20% = $200)

Determine the amount for the air conditioner and the furnace savings. Then move on to the years.

"The scheduled service will also prolong the life of that system, so total up the number of years the air conditioner service will add to the system. Then total up the number of years the furnace service will add to the system. Write those amounts in here.

Now, let's get our client's totals. Add the A/C value and the furnace value together to get the total value to our clients. Then, add the extended life amounts together to determine the total extended life of the system. These amounts represent the value of scheduled service to our clients' systems. They'll save money, and their system will last longer. That's what it takes to be a Preventor."

Page 16:

"Does scheduled service reduce and eliminate these challenges

A. *Equipment breakdowns,*

B. *Untimely service,*

C. *Expensive repairs,*

D. *Short system life span,*

E. *High utility consumption, or*

F. *All of the above?*

"It reduces or eliminates all of those challenges, so do we agree that preventative scheduled service is good for homeowners?"

Page 17:

Is scheduled service good for technicians?

"We know that scheduled service is good for homeowners, but is it good for technicians? Let's see if scheduled service can reduce or eliminate the technician challenges we talked about earlier."

Page 18:

Emergency calls

"The first technician challenge was emergency calls. When you get called out for an emergency call at night or on the weekend, what are the most common repairs you perform?

List the five most common repairs your technicians answer with.

Once you have your list, go back through and determine if scheduled service visits could eliminate or reduce the likelihood of that repair happening. For each repair, ask:

"Do you think scheduled service could reduce or eliminate this repair from becoming an unexpected emergency?"

For the ones your technicians answer yes to, put a check in the box next to it.

Page 19:

After you've completed your list, ask your technicians what percent of emergency calls could be reduced. Write the amount on page 19.

"When you look at that list, what percentage of emergency calls do you think could be reduced by focusing on these items in scheduled service?"

Page 20:

Inconsistent workload

"The second challenge technicians face is an inconsistent workload. At some times of the year, it might be extremely busy. At other times it might be extremely slow. This chart is a good example of how the HVAC industry fluctuates between extremely busy and extremely slow periods.

Page 21:

"However, with scheduled service, we can schedule those maintenance visits at times when we know we'll be a little slower. That way our clients will get scheduled service, and you'll have a more consistent workload since the slow times won't be as slow anymore.

The great thing about scheduled service is that we schedule it. That means we can schedule those service visits during the comfort zone time of the year when no one is really calling us because they're comfortable. During those temperate months, we can handle all of our scheduled service. This will keep you busy and get our clients ready for the hot and cold seasons. That also means that when the hot and cold seasons roll around and a new customer calls for service, we'll be able to answer.

You see, a lot of our competitors think you have to run scheduled service on air conditioners when it is hot outside and on furnaces when it's cold. What happens then is that they are out doing maintenance when someone calls with no heat. When that call comes in, we're going to have our service done so we have the ability to help that new customer and make them a client.

So, would scheduled service balance out the workload? Yes, it would."

Page 22:

Layoffs

"The third technician challenge we talked about was layoffs. When do companies layoff technicians? When the weather gets nice and no one is calling. However, with club memberships, those comfort zone times of the year will be when scheduled service is being performed for our club members.

Would scheduled service reduce the likelihood of layoffs? Yes, it would because the times when other companies are laying off technicians would be filled in with scheduled service."

Page 23:

Difficult Clients

"The fourth technician challenge was difficult clients. Obviously, no client is going to be happy when they get handed a huge repair bill for something that could have been prevented. They end up resenting the company and the technician in their home.

That's why the solution is to reduce these breakdowns and build a strong relationship at the same time. To reduce the breakdowns, we have to be Preventors, which means scheduled service.

So, would you agree that scheduled service would reduce difficult client situations?"

Page 24:

Limited Income Opportunities

"The last technician challenge was limited income opportunities. Other companies may not place the priority on paying their technicians well, which causes limited opportunities for technicians. When you factor in an inconsistent workload and lay-offs, the income potential for a technician gets worse.

However, scheduled service would create steady, year-round work that would boost the income potential of technicians. By providing technicians with steady work and residual income, service agreements provide bonus income opportunities instantly for technicians. They also create replacement opportunities from the service visits.

Would you agree that scheduled service increases your income opportunities?"

Page 25:

"When you think about scheduled service, does it reduce or eliminate

A. *Emergency calls*

B. *Inconsistent workloads*

C. *Layoffs*

D. *Difficult client situations, or*

E. *All of the above?*

Page 26:

"Now, let's look at how scheduled service handles the challenges that HVAC companies face."

Cyclical work

"The first company challenge was cyclical work. The same inconsistent workload that is a challenge for technicians is a challenge for companies. Revenue can slow down even though there are still bills to be paid and expenses incurred.

The solution to this challenge comes from the scheduled service leveling out the workload so that the cyclical nature of the HVAC industry is no longer present."

Page 27:

Marketing difficulties

"The third company challenge is marketing difficulties. Why do we market to begin with?

Do we market to

A. *Attract service calls,*

B. *For sales leads,*

C. *For replacement business, or*

D. *For all of the above?*

We actually market for all of these, and in fact, we have invested $_____ in the past year in attempting to attract new customers.

How much do you think it costs, on average, to attract a new customer? Do you think it costs:

A. *$50*

B. *$150,*

C. *$250,*

D. *$400, or*

E. *None of these amounts?*

It actually costs an average of $250 to attract a new client."

Page 28:

"Now think about ladders for a minute. About how much does a new 24' fiberglass extension ladder cost?

A. *$50,*

B. *$150,*

C. *$250,*

D. *$400, or*

E. *None of those?*

A new ladder would cost you around $250. With that in mind, think about this question. If you bought a new 24' fiberglass extension ladder, could you afford to throw it away after one use?

That's obviously false or you would basically be throwing $250 away every time."

Page 29:

"That's the same thing that happens every time we invest in attracting a new client only to serve them once. If it costs $250 to attract a customer, and we collect $250 for the service call, we will make a profit and be able to stay in business – true or false?

That's also false. If we only collect $250 on a service call and never hear from that customer again, we're not going to be making a profit and we won't be able to stay in business.

We'll basically be taking this $250 we got from the service call and throwing it away because that client is lost."

Throw the $250 in the trashcan at this point.

Page 30:

"The solution then is to provide Above-and-Beyond service so customers will

A. *Use us one time,*

B. *Never use us again,*

C. *Become routine, repeat customers, or*

D. *All of the above*

The answer to that is to make sure our customers become routine, repeat users of our services. That's how we generate a profit, by serving the same client for years, because we don't have to spend that $250 again to make them our customer. They already will be and they'll continue using us."

Page 31:

Competition and Client Attrition

"The next two challenges that companies face are competition and client attrition. Today, there are _____ licensed contractors in our area, and they are all striving to increase their customer base, too. But if they increase their customer list by 10, where did those 10 customers come from? They may have come from us, and that's why competition and client attrition are linked together.

To reduce and eliminate competitors taking our customers and thus creating client attrition, we must

A. *Offer above-and-beyond service,*

B. *Protect our clients from competitor raid, or*

C. *Both of those?*

The right answer, of course, is both of those. If we want to protect our clients, then we must offer Above-&-Beyond service, and protect our clients from our competitors."

Page 32:

"To protect our clients, we have to know who they really are. The only customers who are truly our clients are

A. *Customers we have served in the last 3 months,*

B. *Customers we have served at least 3 times,*

C. *Customers who have a service agreement with us, or*

D. *Customers who know who we are and like us?*

The answer here is C, those with service agreements. Those service agreements are what tie these clients to us. Service agreements protect our clients from our competitors, and they give us an opportunity to offer these clients scheduled service."

Page 33:

"With that in mind, how many true clients do we really have? Remember, we can only count those clients who have a service agreement with us, since the other customers we serve are still open to our competitors. Under that definition, we only have _____ true clients, and we have to protect them."

Page 34:

"The solution to competition and client attrition is

A. *Being better than our competitors*

B. *Being nicer than our competitors*

C. *Having our clients protected with a service agreement or*

D. *None of the above.*

The true answer is C. The only true way to protect our clients is to get them involved in service agreements with us. We do have to be better than and nicer than our competition at the same time, but that should already be part of what makes us different from the competition. The solution to this challenge is to protect our clients with service agreements."

Page 35:

"Overall, scheduled service agreements reduce and eliminate which of the following:

A. *Cyclical work*

B. *Marketing difficulties,*

C. *Competition,*

D. *Client attrition or*

E. *All of the above.*

The answer is all of the above because all of these company challenges are reduced with service agreements."

Page 36:

"In fact, service agreements address all of these challenges that customers face, that technicians face, and that the company faces. Go down your lists here and check the boxes of the challenges that you think service agreements reduce and eliminate.

Did you check all of them? Service agreements are the solution to curing all of these challenges we face."

Page 37:

"That begs the question, if service agreements are so great, then why don't we have more than _____ service agreements?"

Page 38:

"The answer to that is that there are some challenges with our service agreements themselves."

Resell

"One challenge is that you must resell the agreement every year. Your client may see the value in the agreement one year but may not have time to listen to your value-building presentation the next year. They may be in a bad mood when you try to renew their agreement. They may have a lot of stress happening in their life, or they may just be having a bad day. All of these will keep you from being an optimal value builder by taking away your time and opportunity."

Collecting in Advance

"Collecting the sum in advance for the agreement can be a huge challenge when you are trying to show someone the value of an agreement they haven't even experienced yet. Also, collecting that sum in advance can be tough if you come at a time of financial hardship or right after they have spent a great deal of money on something else like a car repair or vacation."

Paperwork

"You have enough paperwork to handle on a service call without having to worry about filling out one more form for the agreement renewal. The extra paperwork just becomes a headache, and as you try to renew more and more clients, the headache just gets bigger."

Technician Bonus

"The other challenge with our service agreements is that the technician that originally sold the agreement and sold the value to that client won't get a renewal for unless they are the one handling the renewal. If someone handles the renewal, the original technician gets nothing.

When you put all of those factors together, they contribute to a high cancellation rate for our current service agreements. If service agreements are the answer, but our current ones aren't the best, then what is the right answer?"

Page 39:

"Before we talk about the right answer, let's take a look at how the HVAC industry has developed over the years and what it might be guiding us to. The HVAC industry has gone through several opportunity cycles in its time."

New Construction

"When the new construction boom happened, most contractors started making their money supplying HVAC for all of the new homes. Homes were being built with HVAC systems installed, and this provided contractors with the opportunity for profit."

Add-on

"After the new construction boom, the focus of the industry turned to the add-on market. All of the homes built before the boom were suddenly antiquated. They needed HVAC systems to keep up with everyone else, so contractors stepped in to fill that void and create huge profits."

Service Agreements

"The next cycle occurred when service agreements became prevalent. Contractors started offering these agreements to gain access to the next great opportunity — the replacement opportunity cycle."

Replacement Business

"Soon, all of the homes built during the construction boom needed replacement systems for their older, inefficient ones. Suddenly, the replacement market erupted, and another burst of opportunity happened for the independent contractor."

Page 40:

What's the industry's next major boom?

"It's going to be an opportunity cycle where the emphasis of the industry changes toward a partnership. The next opportunity cycle is going to be one where we develop a partnership where the client, the technician, and the company all have a vested interest in the equipment not breaking down."

Page 41:

"When these opportunity cycles happen, there are some companies that catch on early and lead the industry as a result. There are also those companies that react too late and end up playing catch-up with everyone else, as a result. My question for you is, do you want to be leaders or followers in this process of change?"

Page 42:

"If we're going to be leaders, we have to develop partnerships with our clients where we all have the same vested interest. To create that partnership, I would like to introduce you to the Club Membership."

Page 43:

"As you know, there are three levels to the Club Membership — platinum, gold, and silver. However, you may not know what each of those levels really means and includes. In this chart, we have all of the elements that make up the club memberships. You can easily compare the three against each other and against what our client would experience without a club membership altogether."

Page 44

Platinum Club Membership

"There are three main components to the club memberships:

1. *It's ability to be a Replacement Account Builder where our clients can save money toward a future replacement,*
2. *The maintenance and scheduled service it provides, and*
3. *The repairs included in the club membership.*

Now if we look at the platinum membership, here, it includes all three of those components. Our clients can use their unused portion toward a replacement in the future. They receive free repairs up to a Level 5, and they receive the scheduled service that will prevent breakdowns in the future."

Page 45:

Gold Club Membership

"Now let's look at the Gold Club membership. Under this level, our clients would still get free repairs up to a Level 5 and the scheduled service. However, they would not be building any money in a replacement account."

Page 46:

Silver Club Membership

"The third level is the silver level, and under this level our clients receive only the scheduled service. They don't receive free repairs, but they do receive a 20% discount on them. Also they aren't building any money for a replacement account."

Page 47:

Club Membership vs. Service Agreement Comparison

"To truly see the difference between the service agreements and the club membership, let's look at these characteristics one by one and determine which of the two they apply to."

As you go down the list, place a check mark in the column that applies to each item. For instance, "reduces breakdowns" applies to both service agreements and club memberships, so you would put a check in both of the "yes" columns. However, "provides free repairs" only applies to the club membership so you would check "no" for service agreements.

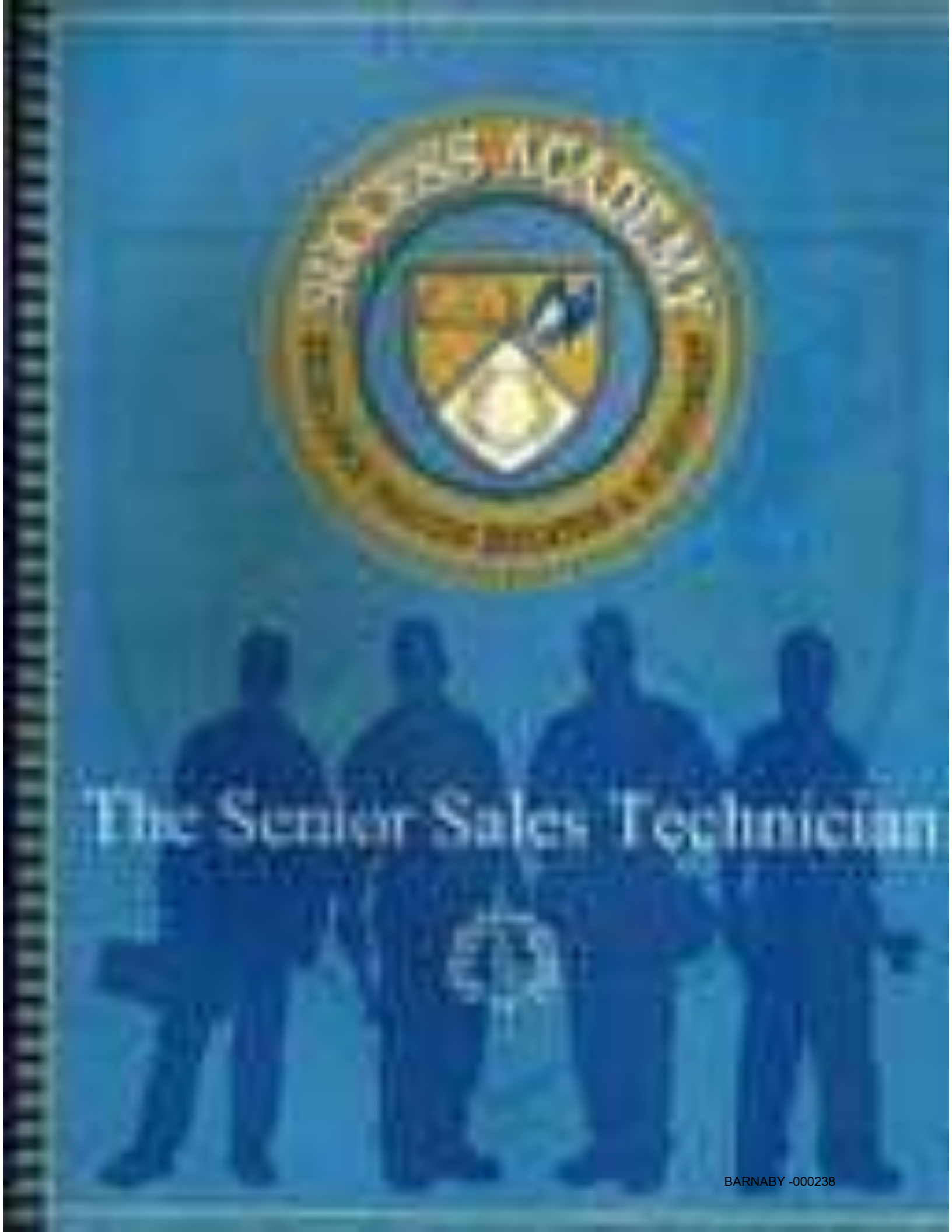
"As you can see, the advantage is clearly with club memberships. Just look at the Above and Beyond section here. If we want to go Above & Beyond for our clients, which we said was necessary to overcome everyone's challenges, then club memberships are the right answer."

Page 48:

"To go Above & Beyond on every call, we have to start presenting the club memberships to our clients on every call. With that in mind, how many opportunities do you have to present our clients with a club membership? To make this easy, let's say you have 4 calls a day. That means 20 calls a week, and 80 calls a month."

EXHIBIT 11

PAGES 1 - 50 OF 143


The Senior Sales Technician

"Control Your Own Destiny, Or Someone Else Will."

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[illegible]

Why Are You Here?

What Do You Hope To Learn?

_____

_____

_____

_____

Achieve / Do?

_____

_____

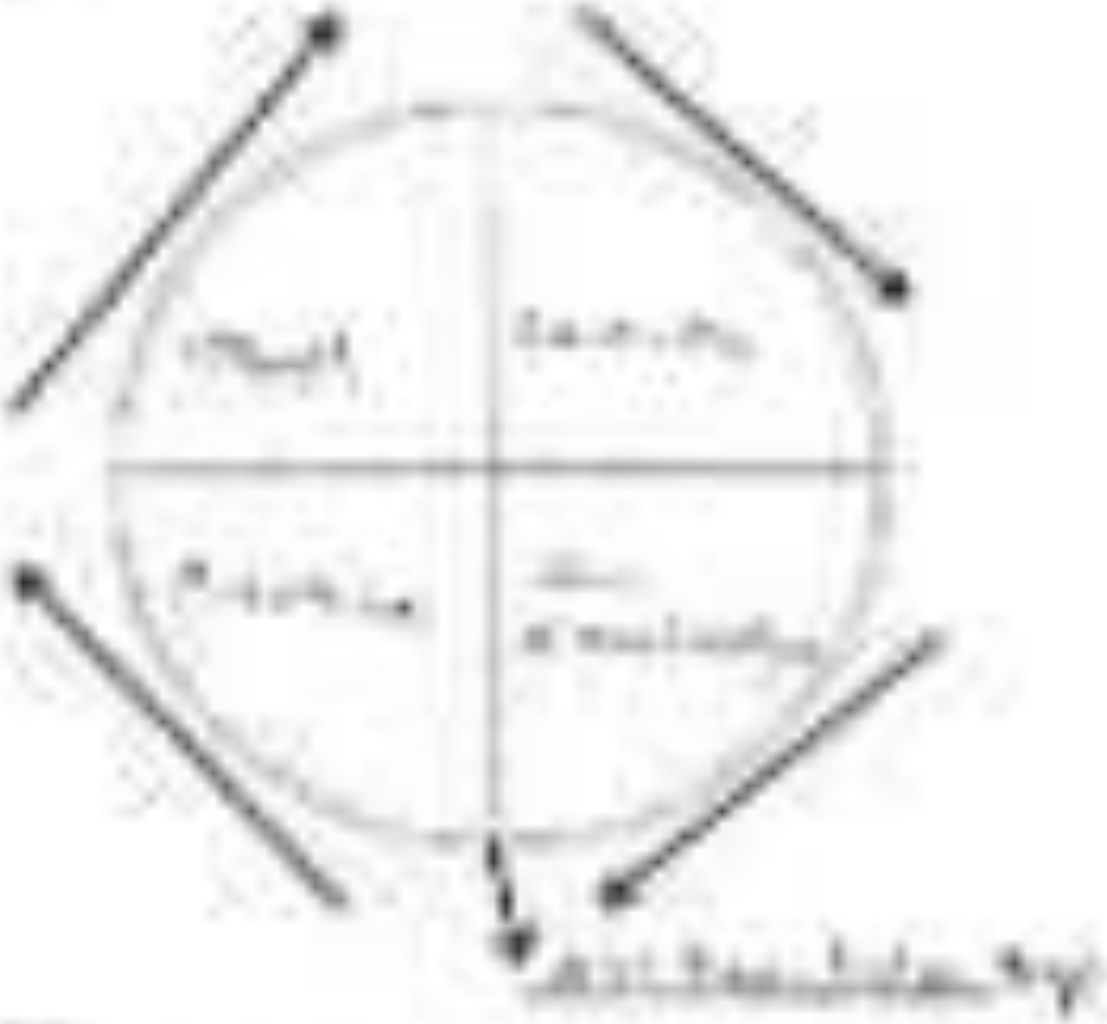
_____

_____

We Have Many of The Same Goals

There's Only One Way To Get There.

As A Team!



What's in the Client's Best Interest?

An Attitude of Service!

This class is about "What is in the client's best interest?"!

The Attitude of Service is a philosophy of:

WIN – WIN – WIN

1ST- Client Wins

2nd – You Win

3rd – Company Wins

When this Attitude of Service is Adopted:

1. Clients will be more inclined to follow your recommendations.
2. Your clients will trust and like you.
3. You will increase your job security.
4. You will become a mentor for your peers and a leader they look up to.
5. You will earn more money.
6. You will have greater opportunities for advancements.

The Two Greatest Challenges

1. The client does not trust the technician.
2. A lack of understanding by the client about the money and value issues involved with a repair versus a new system.

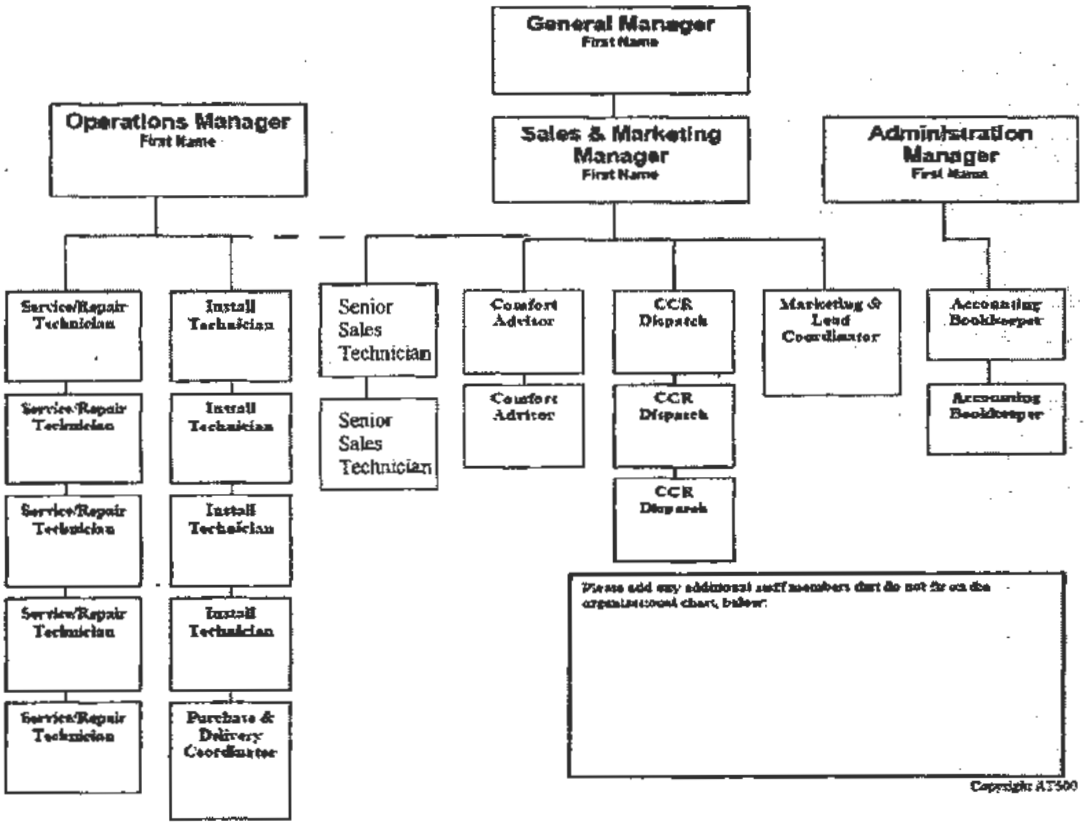
Summary of the two greatest challenges:

1. Lack of trust
2. Value of money

People Buy Two Things

1. Solutions to their problems.
2. Good feelings.

Organization Chart



Giving Thai Money

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Definition of Service

1. Contribution to the welfare of others.
2. Supplying public demand.
3. Providing maintenance, service and replacements.

- It is not always about "solving" the technical challenge, because often times, the customer may choose to replace the system rather than plunking money into an old one that will continue to nickel-and-dime them and be unreliable.
- Number 1 priority is to explain the technical challenges of our customer.
- You have an obligation to educate the client so that they can choose what is in their best interest.

What should my days of operation be?

The recommended days of operation are Monday through Saturday, 52 weeks per year, less nationally recognized holidays. More operating days may be added if your call volume requires. When the company is not in operation, a company representative should be assigned "on-call" status to handle emergency situations should they occur.

What should my days of operation be?

If you can support the overhead created by calls that come after "traditional" working hours, your company should be operating 24-hours a day, 7 days a week. At minimum, your business should be operating between the hours of 7 a.m. and 7p.m., 6 days a week.

Dispatching the Appointment

1. Service calls are dispatched One at a time.

2. This is done because your primary focus is the client your with.

   a. Keynote: Don't be concerned about the daily schedule. Be concerned about being productive and efficient one call at a time.

3. If your service call is going to take longer than the allotted time, then it is your responsibility to notify dispatch as soon as you know, and before your time for service is up.

The Ways to Dispatch a Service Call

1. Verbal dispatching is when the dispatcher provides the Technician with the next call via radio or phone.

2. Text dispatching is when the dispatcher provides the Technician with the next call via pager.

3. Electronic dispatching is when the dispatcher uses a two-way electronic device to provide dispatching. An example would be Vetro™ by Nextel/Sprint. Many use this tool to assist in debriefing as well.

The Information needed when a Service Call is Dispatched.

When a service call is dispatched to you, you will need the following information.

1. name: You will need the name of the client. Get their first and last name.

2. adress: you will need to have crossroads, and special instructions when applicable.

3. The Type of Call and Time Window

   a. demand service call.

   b. Scheduled tune-up.

   c. marketed service call.

   d. YES / NO Information: Is it a warranty repair?

   e. YES / NO Information: Is it a call back?

4. Brief Customer History.

   a. Are they new or previous customers?

   b. Are they a Club Member?

   c. Brief description of current problem.

   d. What is the age of the system.

Technicians' Packets

The dispatcher is responsible for technician's packets. This will allow us to have productive technicians. It is the dispatcher's responsibility to:

- Assemble all technician's service packets according to the service packs' checklist,

- Re-order forms when they hit the minimum stock level.

The packets provide the technician's with the paperwork and sales tools they use on every service appointment. Each packet may include:

- Invoices
- Sticker Sheets
- Inspection checklist
- <Company> Club Membership Brochures
- "Today's Special"
- Response card
- Promotional gift...magnet, jar opener, etc.
- Referral Magnet, electric panel stickers

You can customize the packet to fit the call.

Place all the items in a clear, single plastic file folder, or plastic oversized envelope. The technician should have five packets with him or her each day.

Anatomy of a Service Champion

7 Super Star Strategies:

Step One: Mental End Zone Preparation

1. Prepare prior to arrival.
2. Clear your mind of distractions.
3. expect the homeowner to do business with you.
4. You are an expert authority.
5. You will exceed the clients' expectations.

Step Two: Observations

1. Observe the condition of the homes.
2. Is the neighborhood clean & neat?
3. Do neighbors have pride of ownership?
4. The unique characteristics of the home.
5. Make a mental note of Improvements and vehicle preference.

Step Three: Positive Vehicle Placement

1. Where should you park?

Park vehicle on the Street in Front of the clients home.

Why: The client can clearly view your company's logo, and your clean, professional-looking truck helps create the image of professionalism. The vehicle serves as a billboard advertisement for surrounding homes on each side of the street. Keep back doors closed to serve as a billboard for cars driving down the street.

Exceptions for not parking on the street:

1. Clients home is located a substantial distance from the road.

2. Clients' home is on a major street that would impede safety.

3. If you must park in their driveway always ask the homeowner if your vehicle is acceptable where it is parked.

Step Four: Approach

1. Your approach may make or break your ability to earn the business.

2. People will observe you when you pull up.

3. They are forming an opinion.

4. It is possible to start off in a negative hole and never climb out.

5. Always assume you are being watched.

Step Six: Notification of Arrival and Greeting

1. We must establish trust and rapport with clients.
2. You never get a second chance to make a good first impression.
3. First impressions are usually formed in 16 seconds of visualization and 2 minutes in conversation.
4. Positive first impressions allow clients to quickly trust and like you.
5. Most people wont do business with people they don't trust and like.

Put the odds of forming a positive first impression in your favor by following these steps:

1. Knock on the door frame.
2. Step back.
3. Turn ~~on~~ to an ~~angel~~ angle
4. Do not look directly at the door.
5. Follow the steps listed under Reconnaissance First Impression Image Builder.
6. Wear ID badge in a visible location.

[illegible]

1. [illegible]
2. [illegible]
3. [illegible]
4. [illegible]

[illegible]

[illegible]

1. [illegible]
2. [illegible]
3. [illegible]
4. [illegible]
5. [illegible]

[illegible]

B. Develop a First Name Basis

1. People like hearing their own name.

2. By establishing a first name basis with the homeowner you have started the process of establishing yourself as a friend.

3. Ask for permission to use their first name.

C. Develop Concern for their Home by wearing Floor Savers and Asking Permission to Park.

1. Nothing you will ever say communicates you will care for their home like putting on floor savers.

2. This procedure helps convey that you are a dedicated and dependable employee.

3. You can be trusted.

4. Ask if you parked your vehicle in a safe and convenient place?

D. Provide a Sincere Compliment

1. A person's home is usually their largest investment.

2. The pride of ownership is very powerful.

3. Most people are flattered by sincere compliments.

4. Compliments increase likeability status.

F family

O Occupation

R recreation

M material possessions ownership

Questions at the Townhall

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[illegible]

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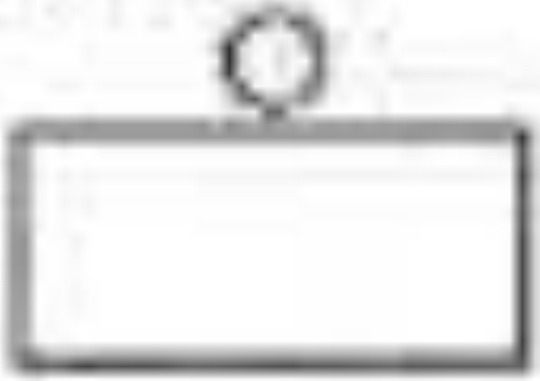
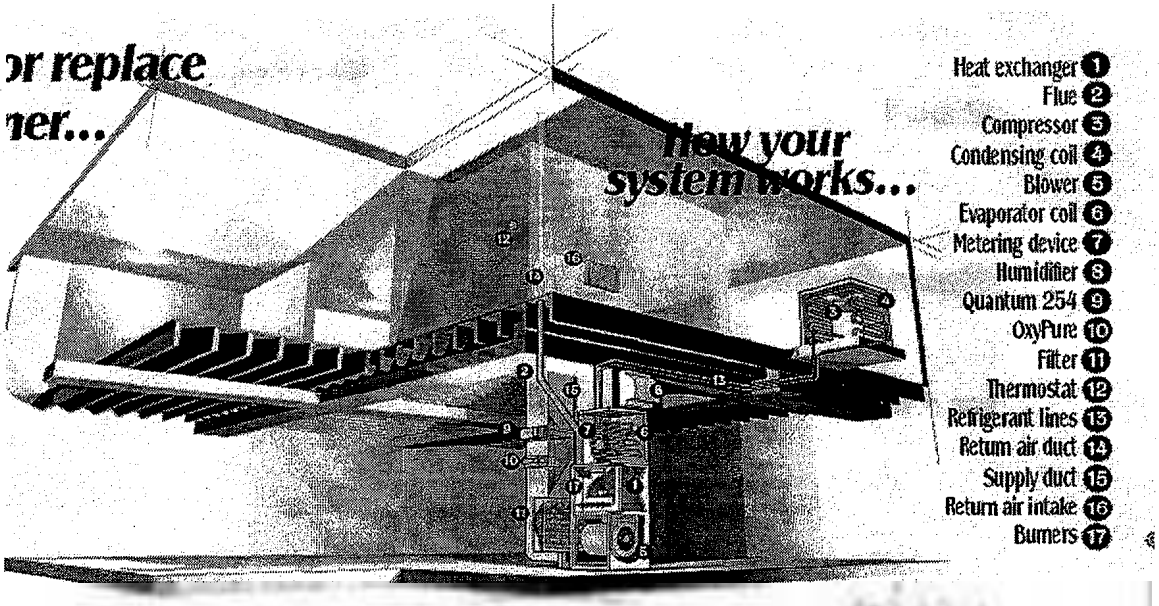


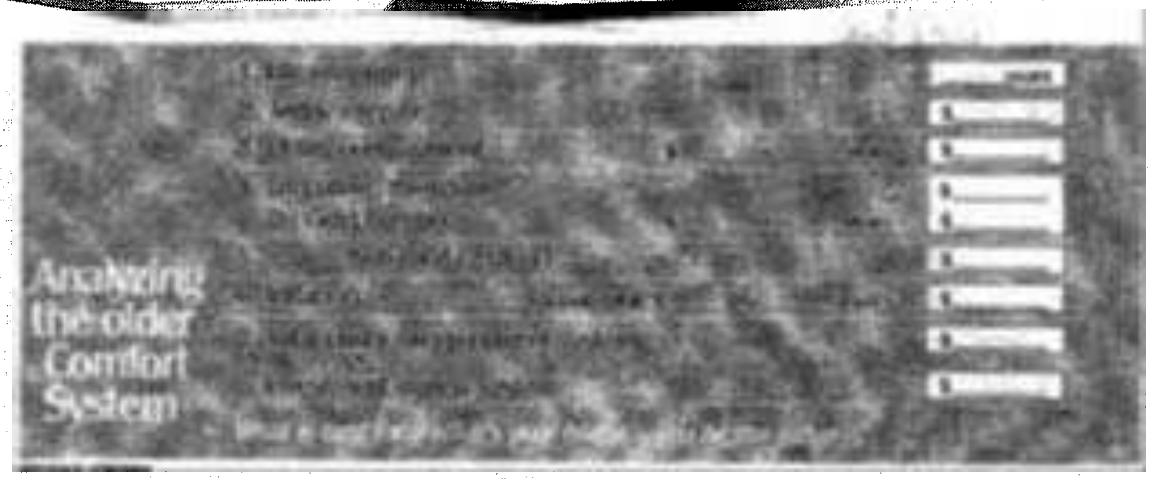
My purpose for being here with you

Step 16 – System Install

Here he go over how the system works one more time and how it's going to make them very happy. Stress that it works as a complete system, and that just replacing bits and pieces will not take care of their needs.

Remember, you are selling on the fact that you are a technician. So, use that to your advantage.





Personal Agreement

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Completing The Appointment – The Debriefing Process

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1. [illegible]
2. [illegible]
3. [illegible]
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6. [illegible]
7. [illegible]
8. [illegible]

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Memorable Visit Report

Client Services Representative/Sales lead coordinator:

Mr./Mrs./Ms. _____, this is _____, with <company name>. Our Senior Technician recently visited your home, and I was calling to let you know we appreciate you calling us, and to say thank you for letting us be of service. *(Pause to see if they reply, be conversational.)*

The only way we can serve you better in the future is to ask how we are doing today.

- What one thing did our company do in providing you service that stands out in your mind today?

  _____

  _____

- Was our response time good?

  _____

- Was _____ (*Name of* Senior Technician *r*) courteous?

  _____

  _____

- Did _____ (*Name of* Senior Technician) wear shoe covers and clean up everything after finishing the job?

  _____

  _____

- Did (Name of Senior Technician) address all of your concerns and answer all of your questions?

  _____

  _____

  Is there anything else you can share with our company, in an effort to improve our service?

  _____

  _____

Purchased System

By the way, congratulations, on your new home comfort system. You will enjoy many years of comfort. You have made a very wise investment and I know you will be very happy you did. (Go over benefits of their new system.)

Did Not Purchase System

By the way, _____ . I noticed you haven't chosen our award winning team yet to install your new home comfort system. Are you still planning on replacing your old system? (Be conversational – they may share with you what you need to know to earn their business.)

_____

_____

Thank you for your time, have a great day!

Key Performance Statistics and Expectations

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2. [illegible]
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7. [illegible]
8. [illegible]
9. [illegible]

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Example Goal Board
Lead Generation

January		M-T-D	W-T-D	Monday	Tuesday	Wednesday	Thursday	Friday	Total
				1-Jan	2-Jan	3-Jan	4-Jan	5-Jan	
Sam Goal									
Sam Actual									
Sam + --									
David Goal									
David Actual									
David + --									
Mike Goal									
Mike Actual									
Mike + --									
Terry Goal									
Terry Actual									
Terry + --									
Team Goal									
Team Actual									
Team + --									

Goal Use Black Pen
Actual Use Blue Pen
+ -- Use Red or Green Pen

To set up the board, use a dry-erase board, or you can buy Masonite or tile board from a hardware store or office supply store, etc. It is typically 1/4 inch thick and 4ft. By 8ft., white board. You can hang it and then frame around it using white window frame. Then to make the black lines, use auto pin-striping tape.

Family and Friends

[illegible]

1. [illegible] _____ [illegible]

2. [illegible] _____

3. [illegible] _____

[illegible]

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[illegible]

Figure [illegible]

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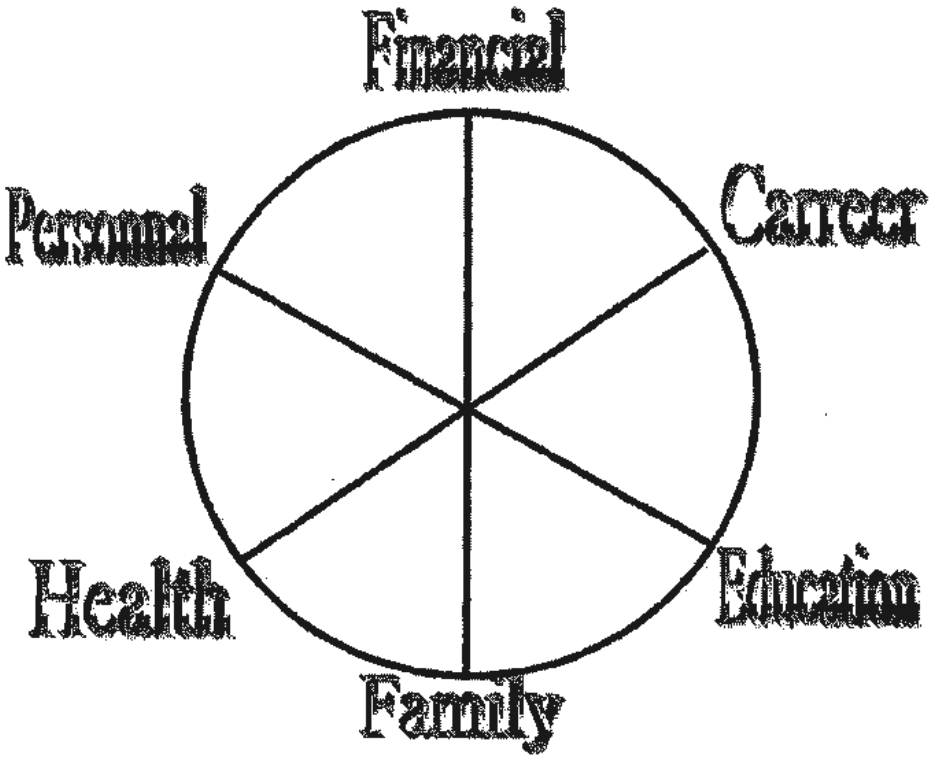
Wheel of Life

Purpose Create an understanding of why life balance is important.



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3. [illegible]
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     [illegible]
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   - [illegible]
   - [illegible]

4. [illegible]
   - [illegible]
     [illegible]
   - [illegible]

[illegible] IS AFFECTED PROPERTY


ACE

Step in Presentation # _____ **Reference in book page #** _____

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EXHIBIT 12

Dynamic Training

SUCCESS ACADEMY

THE ON-TIME TECHNICIAN

IS YOUR REPLACEMENT MACHINE LIMPING BY? THEN KICK IN YOUR TURBO BOOSTED, AFTER BURNERS!

Too many companies try to grow 100% of their replacement business through marketing strictly for the lead.

Do you realize that this is a costly mistake? You have the greatest lead engine on the planet right now!

The basic opportunities that your people are missing are hurting your overall business! Are they not bringing in the right average ticket, or are they failing to produce club membership agreements? Worst of all, are they not setting the all important replacement lead? The On-Time Technician development course is designed to address 3 success killers in your business:

1. Low average tickets. Low average tickets are a great indicator that your clients don't like your technicians, or that your technicians are scared to ask for the order. This means limited repeat business.
2. Virtually no comfort club memberships. The long term success of any company is decided by the clients you keep. If you are not locking in a minimum of 25% of the clients you visit, then you are giving away your future replacements.
3. Missing obvious opportunities. Too many techs look right past the thousands of dollars staring them in the face.

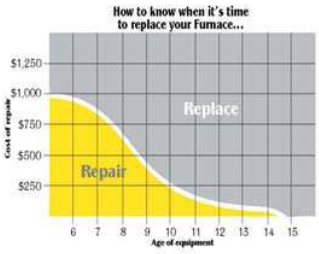
THIS IS HOW WE WILL MAKE YOU $$$ MONEY $$$

StraightForward Pricing

Your people will learn how to price your services and get the homeowners to say, "yes!" No more confussion, and no more irritated clients.

COMFORT CLUB Memberships

Lock your clients in for life. Never have them call another HVAC company ever again!



Get the Replacement Lead, not just the Repair

Learning how to set a qualified lead for replacement is one of the most important skill sets your technician can own. This can be the difference in success or failure for your company. They will be a kung fu master of lead setting.

Dates: 01/21-23/08—St Louis
02/13-15/08—Las Vegas

Time: 8:00—5:00, 3:00 day 3

800-771-0107—phone
314-657-4516—fax

Write to any of the following:
Cmarable or Jhughes @ yoursuccessacademy.com

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Fax: 314-657-4516

The On-Time Technician

For office use only
Rec'd: _____
Goldmine: _____
Confirmed:_____
MKTG Code: ____
SA Rep: _____

Registration Information ***(Please fill out completely.)***

Company: _____
Contact: _____
Address: _____
City, ST, Zip: _____
Phone: _____
Fax: _____
E-mail: _____

Attendees ***(Please indicate 1st time or returning)***

1. _____ 1st time or returning
2. _____ 1st time or returning
3. _____ 1st time or returning
4. _____ 1st time or returning
5. _____ 1st time or returning
6. _____ 1st time or returning
7. _____ 1st time or returning

☐ Jan. 21-23 **St. Louis** ☐ Feb. 13-15 **Las Vegas** ☐ Mar. 25-27 **St. Louis** ☐ May12-14 **St. Louis** ☐ June 2-4 **Las Vegas** ☐ Aug.4-6 **Toronto**

☐ Sept. 8-10 – **St. Louis** ☐ Nov. 10-12 – **Las Vegas**

Tuition: $416.00 **Returning:** $138.00 **DPTP Member:** Yes or No

---

Investment Options (please choose one)

1. Checking Account **(US ONLY)**
   Bank Name: _____
   ABA Routing # _____ Account # _____
2. Charge My Credit Card
   Card # _____ Expiration Date: _____
   Circle One Visa Master Card Amer. Ex.
   Name on Card: (print) _____
3. Class Credit **(If available – Valid for 120 days ONLY)**
   Amount $_____
   Total Amount to Be Processed: $ _____

Affiliation **(circle one below)**

AT500 PSI ESI RSI
OHAC BEN MS

Hotel Requirements: *** St. Louis** - **The Drury Plaza Hotel, 4th & Market, St Louis, MO, 63102.** *Reservations may be made by calling* ***1-800-DRURYINN or 1-314-231-3003***. To ensure the preferred room rate, be sure to advise the hotel that you are attending a Success Academy class, the name of the class and the date you will be arriving**. Reservations must be made at least 10 days prior to the start of the class.** Reservations less than 10 days from the start of class will be subject to availability and the regular hotel room rate. ****Las Vegas** – Hotel of your choice. Classes will be held at Quality's One Hour, 2951 Westwood Dr.,Las Vegas, NV 89109 – 1-702-731-1617. *****Canada** – Monte Carlo Inn – Vaughan Suites, 705 Applewood Cres, Vaughan, Ontario L4K 5W8, Canada – 1-905-761-7170. Class will be at SGI Canada, 665 Millway Ave, Unit 25, Concord ON Canada L4K 3T8 – 1-905-760-7887.

Tuition Requirements: All tuition must be paid in full prior to the first day of class. Confirmations will be sent via e-mail immediately after a registration has been processed on the Success Academy Website. Success Academy is not responsible for hotel or travel reservations made prior to receiving confirmation of class registration.

Cancellation Requirements for All SGI Members and Franchise Success Academy Students: Cancellations made **30+ days prior to the first day of any class will receive a full refund**. Cancellations that **occur 8 – 29 days prior to the first day of any class will receive a class credit less $100 cancellation fee for first time and returning students**. Cancellations made **7 days or less prior to the first day of any class will receive a class credit less $400.00 cancellation fee for first time students, returning students forfeit their tuition and receive no class credit.** Cancellations **must be done** via website or in writing and faxed to **ATTN: Class Cancellation -Success Academy** at 314-657-4516. ***SGI Members*** - If a class is registered for but not attended and was not cancelled by the first day of class, the entire tuition is forfeited and no refund or credit will be issued. ***Franchise Core Class*** - If a core class is registered for but not attended and was not cancelled by the first day of class you will be charged a $400 fee by Franchise Headquarters. **By signing this form you "the member" authorize Success Academy to charge your credit card and/or bank account on file for the cancellation or no show fee.**

By Authorizing this form you acknowledge that you have read, understand, and agree to the hotel, tuition, and cancellation requirements above. You also agree to allow Success Academy to process this registration by the investment option selected.

No registration form will be processed unless the form is complete and authorized!

Authorization (signature) _____

Please Fax Registration to: Success Academy at 314-657-4516 or
Register on-line at www.yoursuccessacademy.com