



Plumber Doubles Service Revenue Thanks to The New Flat Rate

New York Outfit Nearly Doubles Profit Margin with No-Pressure Sales Approach

With a number of Spanish-speaking employees, customer communication has been somewhat of a challenge for the staff at Gold Star Plumbing, Wantagh, N.Y.

That was, until now, thanks to the The New Flat Rate. Gold Star's techs now simply diagnose the problem, present a menu of tiered options, and let the customer shop for a fix.

"The New Flat Rate keeps our guys from doing a lot of writing or explaining, which is sometimes difficult for them. It's helped bridge our communication gap, which, in turn has increased our profit margin," said Matthew Thompson, owner. "Prior to adding The New Flat Rate, our average service ticket was about \$427. After adding the system, our average ticket skyrocketed to \$623. That's a 46 percent increase. To us, that's huge."

A New Beginning

Thompson opened Gold Star Plumbing in early 2011, behind more than 25 years of plumbing and managerial experience. Prior to The New Flat Rate, he utilized a mixture of principles courtesy of the Plumbers' Service International (PSI) and NSPG. But, admittedly, most of those tactics seemed out of date, leaving him yearning for more.

Thompson caught wind of The New Flat Rate through the Service Roundtable. After connecting with The New Flat Rate's staff, Thompson signed his company up for training in July 2012.

"Owner Rodney (Koop) said you'll pay for these books in your first week. Now, I've heard that a million times, but, once we put this to the test, he was right. In just one week, we recouped our entire investment," said Thompson. "Right away, we had guys pulling in \$4,500 a week, and that was on a light week. We were selling platinum water heaters at \$3,500 a pop and our service tickets kept coming in higher and higher; \$500 here, \$350 there. I couldn't wrap my head around why this was working so well. It was so bizarre — but in a good way."

A Phenomenal Future

Behind the power of The New Flat Rate, Gold Star Plumbing increased its annual service profit margin from approximately \$300,000 to more than \$700,000. Projections for 2014 remain on pace to close even higher.

"In the past, we always tried to sell a customer what we thought was best for them. In retrospect, this was almost always a Band-Aid fix. We never wanted to go beyond the minimal repair because we just wanted to make a sale. Now, when our customers compare the available options, they almost never choose the Band-Aid fix; they tend to select a more permanent replacement."

Thompson said that later this year, he's planning on purchasing iPads, equipped with The New Flat Rate's selling principles, but in a digital format.

"This will eliminate the physical books and allow us to update our pricing and information more efficiently," Thompson said. "And, people seem to respond well to the iPads; they enjoy the visual presentation."

"If you don't have The New Flat Rate, you're missing out", said Thompson. "In just about a week, we recouped our investment. The rest has gone right into our pocket. It's been an absolute success."



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