

## Case Study: Expanding Your HVACR Business

Chrissy Nardini, president of American Metals Supply, was eager to get her team aligned around an energetic growth strategy in late 2014. The profitable wholesale distribution firm, which serves HVAC contractors and the construction industry, had reached \$56 million in revenue since her grandfather, Al Hassebrock, a sheet metal salesman, started it in Springfield, Ill., in 1962. She saw plenty of potential to build on that.

But the price of steel, which accounted for 40 percent of revenue at the firm, was dropping. To keep the firm growing, Nardini needed to get all 85 of the firm's employees—spread out in seven locations in the Midwest—rowing in the same direction simultaneously.

Nardini found an approach that worked when she brought five members of the company's management team to a workshop that the Young Presidents' Organization held in December 2014 in New Orleans. Nardini is a member of the group, a global network of chief executives and business leaders.

The workshop was based on *Scaling Up*, which was a No. 1 business book on Amazon. It explains the Rockefeller Habits, a system for expanding a business. The challenge for all growing companies is getting and keeping everyone on the same page—which requires you to have the page. At the gathering, Nardini and her team learned how to create that in the form of a One Page Strategic Plan (OPSP). Leaders at more than 40,000 companies have used this simple, yet powerful, free tool to edit their company's vision down to a single, action-oriented page. It helps them get clear on their core values and beliefs, their purpose, their targets and goals and other key elements of strategic planning.

"We were very enthusiastic about the framework," says Nardini. "It was a fit with our philosophies, but we hadn't put them on paper."

Nardini soon hired a coach certified to teach the Rockefeller Habits to moderate a session where they began to fill out the One Page Strategic Plan. In that session, her management team was able to get clear on the company's core values, purpose and brand promises, meaning the implied promises it makes to customers. The team also got aligned around a plan to make the most of the rebound in the construction industry, a key part of the firm's business.

Nardini has already seen results from crafting the One Page Strategic Plan and implementing changes such as setting quarterly goals for the firm. In the first quarter, revenues were 15 to 20 percent higher than the same quarter last year.

"It really is a way to get our employees engaged, get everyone on the same page and define more clearly the thoughts that roll around in your head," says Nardini.

## **A NEW RHYTHM TO MEETINGS**

One of the most important changes American Metals Supply made was to institute daily “huddles,” or short meetings, to keep its team tightly coordinated. “We wanted to be more aligned to deliver across our seven branches consistently,” says Nardini. Previously, she says, leaders of the seven locations only convened by phone monthly. “It is very hard to have everyone hearing the same messages,” she says. “You have different personalities.”

The new 15-minute phone and in-person meetings, known by the company’s employees as “the daily hug,” have been critical to keeping the management team tightly focused on meeting these goals. During the huddles, leaders of each location discuss what is going on at the company, share a daily metric that measures progress toward their goals and bring up any “stuck” points where obstacles need to be cleared. “It really is powerful in being able to react quickly to market change,” says Nardini.

What makes the huddles effective is that everyone in the company knows the big-picture goals of American Metals Supply, thanks to the One Page Strategic Plan. Given that the seven locations each serve a market at a different stage of maturity, Nardini and her team have decided it made sense for each location to set its own quarterly goal. These, in turn, flow into a companywide profit goal.

## **CLEAR VALUES**

Creating a One Page Strategic Plan has also influenced the firm’s culture. For instance, the entire team now knows the company’s purpose: “Advancing the American Dream, One Life, One Customer, One Building at a Time.”

“My grandfather started the company at one location with \$7,000, when my dad was in high school,” says Nardini. “We feel like we’ve built the American Dream for our family, and we are able to help employees with their future and their livelihood.” The company offers a generous 401(k) and profit-sharing plan to underline that commitment.

The same commitment to the American Dream extends to the contractors and construction firms it serves. “The business supports construction, a symbol of American dreams across the country,” she says.

To make sure it serves those clients well, the company created a three-part Brand Promise focused on this. The Brand Promise is: “Right Product. Right Place. Right Price.”

“We will get the right product to our customer,” Nardini explains. “We deliver to customers’ businesses and job site locations. The price they’re quoted is the price they are billed. We are accurate and fair. We’re trying to offer the right price to make our company competitive and able to win work.”

American Metals Supply has begun surveying its customers for the first time to make sure they are happy with the service they have received—another strategy recommended in the workshop. “We had never done that in our 50-year history,” says Nardini. The company now uses the Net Promoter Score, which asks customers how likely they are to recommend the firm to others.

Nardini has also followed another recommendation from her coach and hired an HR executive, called the “director of employee engagement,” a title the firm never had in the past. “It’s helping to create the culture vs. checking off boxes,” she says. Her next step will be to learn TopGrading, a system for recruiting and hiring employees who fit the firm’s culture.

“It’s not like we have it all figured out yet,” says Nardini. “But we now have the framework of what we need to fill in and what we need to work on and plan to keep us aligned going forward. It’s something that can be used for many years. We’re looking forward to continuing our work on it.”