

**SPECIAL
PREMIERE ISSUE!**

MEMBER SPOTLIGHT

Invest Your Heartbeats with Theo Etzel of Conditioned Air

When Theo Etzel assumed the title of CEO of Conditioned Air Corporation of Naples, Inc. in 1995, it was a \$2.7 million dollar operation focused exclusively on

the residential market in and around Naples, FL. During his tenure as CEO, Etzel grew the company into a \$50 million organization with nearly 150 full-time

employees and two branch offices in Ft. Myers and Sarasota. Conditioned Air now serves residential and light commercial markets,

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Theo Etzel



MEMBERTOOLS

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Limiting Liability When Installing Customer-

By Lise Brenner

Digital marketing firm Venveo (www.venveo.com), found as of 2014 that 40% of Americans used online sources for home projects. According to Marketresearch.com, three top reasons for this rising tide in online sourcing is: perceived cost savings; access to online educational videos; and aggressive marketing by Home Depot, Lowes and the like promoting self-customized paint colors, finishing décor, furniture, etc.

In other words, these jobs will be coming your way, if they aren't already.

While you and any other HVAC professional knows that there is no comparison between installing a gas furnace or choosing which shade of green to use in the kitchen, the average consumer doesn't. And so, as you also know, the number of people calling up for help when their DIY HVAC project has gone south is on the rise. What can you, the licensed professional, do to protect yourself and your business when the guy with the new furnace sitting in his driveway calls you to help him get it in the house and install it?

Here are a few suggestions to help limit your exposure to liability while building or maintaining the best possible customer relationships. Briefly, they boil down to:

- Follow industry rules to the letter
- Have the insurance you need in place
- Tell the truth about all things related to the job to the customer, even if it's not what they want to hear

- Limit your contract with very specific actions on your part, and clearly outlined responsibilities on your customer's part

Now let's talk in a little more depth about what this means when dealing with customers that Jay Tall (www.buildzoom.com/contractor/tall-builders-llc), New York City contractor and real estate business owner describes as "semi-educated and invasive consumers."

Step 1: Your Good Business Basics

Adhering to industry regulations and standards. As an HVAC contracting professional, you run your business in accordance with local licensing standards and prevailing Federal Regional and any other area regulations. You stay current and knowledgeable because while regulations may at times seem burdensome, in the end, they are what protect both you and the consumer. Regulations provide a set of common definitions. They offer objective standards.

As a professional in good standing, you can and should invoke regulations and industry standards as the reason you are saying no to certain customer requests, including, if necessary, the entire job.

In the event you do have to decline a job, put your reasons in writing and send it to the customer while retaining a copy for your records. This can be invaluable evidence in the event of later legal or insurance questions involving the customer.

Insurance. General liability, designated premises liability, workman's comp - this is a job like any other, with the added caveat that you may be dealing with a homeowner who is already a bit on edge because of frustration with a job that turned out to be beyond his or her capability, or because the local Joe the Handyman they hired originally did something that they now must pay you to repair. So, check with your insurance advisor to be sure you've got all you need in place.

Step 2: You, the HVAC Educator

Transparency, or, Teach Your Customer. Otherwise known as "Get Them on Your Page." Here's the reality: 99% of your customers have little to no idea about what goes into making their home safe, comfortable, and reliable. The fact is that online suppliers are making equipment accessible to consumers who don't understand the complexity of how air conditioning or heating systems interact with their home's construction peculiarities, their local climate realities, or Federal and local regulations and standards. On top of this, generally, we in the U.S. live in a world where instead of darnin' the socks or replacing the cord, we throw away and buy new. Many people simply don't have any hands on mechanical experience.

Be the Expert. Spell out your value to your customers. Show them the mismatch between the existing ductwork and the new, smaller, more efficient gas furnace they got such a great deal on. Walk them through

Supplied Equipment

your punch list of their job. Tell them how carbon monoxide poisoning happens; remind them it kills. Cite the codes and standards. Be crystal clear about what you plan to do, and what you will or cannot do, and why. Talk to them about warranties and why, since they bought the equipment on their own, dealing with the warranty is up to them. Leave them knowing why they will pay your rates for your expert opinion.

Specific Action Steps. According to Shawn Lawrence, Esq. Washington State specialist in real estate and contracting, the best way to both communicate to your customer and make sure you have all the documentation you need in the event of an insurance claim or customer complaint is the following – most or all of which you probably already do:

Before starting work:

- Write up a short description of the situation, including what the customer wants you to do and your assessment of the work required
- Include all model, serial numbers, etc. for all parts provided by the customer
- Include a description of packaging, if it exists
- Take a photo that shows the area of the install and the equipment

During the job: If there is a change in spec for some reason, or if you feel there

might be a question later about some aspect of your work, document it with a photo.

When everything is complete: Take a photo that proves it – for instance, a thermostat showing that the heat is on.

One additional idea: Some businesses have found it helpful to create a giveaway brochure outlining the basics of running an HVAC contracting business. This is a two for one – a great reference tool for your customers and a great marketing tool for your business. Be brief, but thorough. Include all the topics discussed above, from standards/permits/licenses to the life and health threatening consequences of faulty installation and maintenance of HVAC equipment. Make the money real with a list of the average cost of common DIY do-overs you see frequently, or repairs due to faulty maintenance.

Step 3: The Contract

The following are suggestions which must be reviewed by qualified attorneys for your local jurisdiction. In general, however, these are the points to include in situations where you as the contractor did not order the equipment you will be dealing with.

1. Disclaimer that this is an express contract for labor only – your company is not providing any services other than installation. You will not be back for maintenance or repair – that is a different conversation, and a different contract.

a. **SUGGESTION:** have the customer sign a separate page copy of this disclaimer when you hand them the invoice.

2. Clearly stated list of customer responsibilities, including dealing with the warranty paperwork. This is very important. The customer chose to forgo taking advantage of your relationship with suppliers AND your expertise. To protect yourself and your business, do not step over this line.

3. Be specific about what you are responsible for regarding the equipment itself:

a. You (or an employee) are responsible **ONLY** for installing. State specifically that you will not breach the manufacturer's warranty by attempting any internal repairs.

b. You (or an employee) are not liable for any damage to the equipment caused by installation (or de-installation of a faulty install).

To Sum Up:

Follow best business practices, talk to your customer clearly and truthfully, keep great records, document document document!, limit your contractual obligations and, when in real doubt about the situation, walk away!

And always consult legal and insurance experts first. ▲

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