

# YOU CAN'T STOP THE GROWTH



A stylized, handwritten signature in black ink, appearing to read 'Chad Peterman'.

Chad Peterman

## ■ CHAPTER 1: Treat Your Team Members as Number One

*“We wanted you to know that you, Jay, and Tony, and all of the team members and the company itself once again hit a walk-off grand slam. Every person who came to our home was professional, very polite, took time to explain the work they performed and asked if we had any questions. This was not just one or two team members, but all of them. From my first encounter with Peterman in the early 1980s, I believe, Pete had his shop on Bethel Avenue in Beech Grove and may have had one or two employees, I called one very cold winter afternoon because the furnace would not light. Your dad told me he would be leaving the shop in about an hour and would stop by the house, which was about a half a block from the shop. The thermocouple was dirty and needed cleaned, it was blown out. He took time to show me how to disconnect and clean the thermocouple, eliminating the need for future service calls. He charged me nothing, smiled, shook my hand, and told my wife and me to have a good night. Today, the business has grown, but the owner’s personality has passed down to all of the employees with whom I have had the pleasure of dealing. Again, thank you!”* —Satisfied customer

Have you ever worked for a company where you knew some of your coworkers to see them, but you didn’t know their names? You might walk past someone in the hallway and know the face, say “hello” to the person, but you just didn’t know their name. That doesn’t happen at Peterman. We all know and support each other—every employee, from leadership to the newest team member—and all employees know that they’re an important part of the company. Our culture at Peterman is one of mutual caring, support, and respect, and it’s the basis for how our employees treat our customers. If team members feel important and respected, they’ll make the customer feel important and respected, too. Believe me, customers can tell the difference.

### ■ Putting Employees First and the Company Last

Many companies focus strictly on revenue and hope that their employees will produce it, and then they reward the employees last. I think those companies have it backward. If you’re in leadership, it seems counterintuitive to not put the company first and want to increase revenue, yet we’ve found that treating team members well and putting them first is the best way to increase revenue through excellent customer service. The company wins in the end, but it does win. This idea grew out of our goal of making Peterman the best place that any of our people have ever worked. Obviously, we need to make a profit to stay in business. But when you think about how companies like ours really create revenue, it becomes clear how revenue-first thinking is backward.

A company creates revenue through excellent service, growing its customer base, and keeping current customers happy. The company’s employees accomplish those things by doing their best work. We proved that supporting our employees and making them number one results in them doing their best work. They provide excellent service that makes our customers happy and gives them real value for their money—this keeps our customers coming back to us when they need products and services, and they refer their friends, families, and neighbors to us. As our business grows, our revenue increases because our employees did their best work. We can pay employees (because we’ve collected money) and pay them well, and provide perks and benefits that many companies in our industry can’t or simply won’t provide. Our employees are happy, and the pay and benefits allow us to recruit more high-quality employees, which feeds our culture. It’s a cycle and a win-win situation for everyone. If revenue-first thinking puts employees last, how can anyone possibly win? Clearly, the revenue will be there as long as employees are first and the company creates an atmosphere that supports them and makes them feel supported.

## ■ Caring Starts with Leadership

A culture of caring, support, and mutual respect starts with leadership showing all employees that they're number one. So where do you start to build such a culture? I don't advise giving everyone in the office a Segway or building swimming pools like so many of the giant technology companies do. That's not what culture is really about. Rather it's caring about people—whether they're a rock star salesperson or a new employee coming with little knowledge or experience—and making sure they know that everyone will be treated fairly, and everyone should care about each other. At Peterman, we committed to building a culture of caring in which all employees feel that the company puts them first. We used the following five strategies to build that culture:

- Commit to knowing each employee as a person.
- Encourage employees to know each other.
- Cultivate an atmosphere of one team: We're all in this together.
- Give employees tangible benefits to show that you care.
- Understand how you and your company affect people's lives.

In the next sections, I'll describe how we implemented these strategies into a cohesive company culture that fueled our growth and delivers the best service to our customers.

## ■ Employees Aren't Just a Number

I saw an article once titled, “Management is 10 Percent Work and 90 Percent People,” and I completely agree with that thought. Management is about getting the job done through other people, and you have to know those people if you want to motivate them and make them happy to come to work every day. I admit that as our company grows, it becomes a bit harder to know every employee. But that just means that we in leadership have to try harder to get to know everyone. One way we accomplish this is by meeting people when they are first hired on. My brother or I is involved in nearly every interview for an open job position at Peterman. We learn a lot about the applicant, the type of people we're attracting, and what's going on in the rest of our industry, but we also want to make sure the person will fit into our company culture. I think that's one of the biggest things companies overlook. It's our job as the leaders to attract the best and create an atmosphere in which employees feel they're part of a group of top performers. I make it a point to meet as many prospective employees as possible, and I tell each person what everyone who already works here knows: You're not just a number at Peterman, and though I might not interact with you every day, I'm going to know your name and something about you, no matter how many people we hire.

Another strategy we use is a monthly breakfast for new employees hired in that month. It's only for the new hires and my brother and me. This relaxed atmosphere helps tear down the invisible wall between employees and leadership right at the start by giving new hires a chance to talk with leadership one-on-one. We don't want employees to be afraid to talk with us just because we're the owners. Leaders in many companies say they have open-door policies, but if they haven't done anything to make employees feel truly welcome to walk through that door and talk with them, the policy doesn't mean anything. My door is always open for employees, and our employees know they're welcome to walk through it. They understand that the company as a whole cares about them, and when they know that, they'll run through walls for you, so to speak. They'll do anything in their power to help you accomplish the company's vision through their own career goals.

I've found that people enjoy getting to know us, and it's refreshing because I don't think other companies make it as easy to get to know leadership and communicate well with them. Employees find that there's less pressure and they can just be

themselves, and ultimately, that's who we want them to be for the customers. We hire our people for a reason—because they have certain skills or we think they have a lot of potential. We want them to be who they are, which makes them happier and is good for the customers, too.

## ■ **Bring Employees Together**

Leadership should encourage employees to know each other, too, and every day, we do our best to get everyone to intermingle in some way. One of the best places to do this is at our monthly company meetings. We set up tables and make seating arrangements so that only two people per department are at a table. This way, team members will meet different people in the company they normally don't see every day and keeps little cliques from forming by the department. It's also a good way for people in one department to learn about how other departments function daily, and that can help everyone's work go more smoothly. For example, one department might learn about issues that another department faces, and they can start talking about those issues and possibly come up with solutions to make the workflow better. They get involved with each other, which often leads to better working relationships because they're communicating in a relaxed, social way. It's important for the company to keep communication channels like that open.

Holding company events is another way we bring people together, including their families. Our annual holiday or Christmas party is our biggest event. Many people dread going to their company Christmas party—people just seem to dread it and don't want to go for a lot of reasons. You often hear people say of company events, "I work with those people for eight hours a day—I don't want to have to go there on a Saturday or after hours and be with them again!" At Peterman, the Christmas party is probably our biggest event, and everyone gets really get excited about it. I know that we're doing something right because attendance at these parties is about 96 percent.

Every day, I see our people willing to help one another. Our experienced people are always willing to step up and help the younger people who need training. Those with less experience don't have to feel like they're out there all alone because someone who's done this before is only a phone call away. Most people in our industry haven't had this kind of work experience before. It takes time to build a culture of caring among, and many companies don't want to take the time needed to grow that culture slowly. But it's truly worth it to invest in employees in this way. At Peterman, our employees protect our reputation, our work, and our name for two reasons: First and foremost, we're all in this together, and second, they know there's nothing else like this out there. Our team members are Peterman. They wear the name on their shirts, and that's who they are.

## ■ **We're All in This Together**

When you know your employees as people, it's easier to understand what they want and need, and what motivates them. Then you can come up with simple practices that can be highly effective in pulling people together as teams that care and support each other. As leaders, we care about our employees and support them, and set the example for everyone. My brother and I set the tone for our company: We're all in this together. We believe that feeling starts at the top, and we have to set an example because our employees see how we behave toward everyone. I think that treating people well and with respect is contagious. I'm sure that I've never yelled or screamed at anybody if something went wrong on the job. No one shows to work up wanting to do a bad job, and sometimes things just go wrong. I figure that as leaders, we need to take ownership of the situation and understand that when something goes wrong, it's more likely because we haven't communicated what needs to be done.

Employees know that if we're all in this together, it means they're never on their own at Peterman. Someone is always willing to help you when you have a problem. For example, our people working out in the field will undoubtedly run into problems and need to call the office for help. When they do, they know that the person they call will actually help them instead of belittling them for not being able to solve the crisis on their own. I've heard stories about field technicians from other companies being told, "Just go on YouTube, you can figure it out!" Would your customers be comfortable with technicians who turned to YouTube to solve their problems? That doesn't happen at Peterman. Our employees all have different skills, and if we put them all together, we can solve many problems for our customers. Everyone in our company understands an important fact: I can't do my job without you, and you can't do your job without me. It benefits all of us if we help each other.

## ■ Benefits for Employees that Benefit Everyone

Building a supportive company culture includes providing employees with programs and benefits that have real value for them. This is why nap rooms and ping-pong tables don't fall into this category. Real value for employees means something that helps them on the job or in their personal lives and helps them build for the future for themselves and their families. It's an investment for the company, but we're investing in the employees. Going back to the revenue cycle, we feel the company benefits in the end.

We've rolled out several programs in recent years that our employees appreciate. Most companies in our industry don't provide benefits like these, which makes Peterman an attractive employer. We've already seen the positive impact these benefits have on our employees, so I'll describe several examples of what companies can show employees that they care and build a strong, supportive culture.

### **Guaranteed 40 Program**

This program is rather unique in our industry, so it's a real standout when recruiting and is very popular with our employees. Our heating, ventilation, and air conditioning installation department operates somewhat seasonally. Work can be slow depending on the time of year and weather, which means that our installers have unpredictable hours that can make it very difficult to budget for personal expenses, like a car payment, mortgage, utility bills, food, and so on. We know that these seasonal slowdowns are hard on people, and it didn't sit well with us. We don't want our people to feel stressed out and possibly carry the weight of a tough financial situation when they're trying to be their best for our customers. So we created a program called Guaranteed 40, which guarantees that every installer will be paid for forty hours of work, regardless of how many hours they actually work.

For example, an installer might work only twenty-five hours during a slow week, but he will still be paid for forty hours. However, if the installer works fifty hours in a busy week, he's paid for fifty hours. There's no downside for team members—they no longer have to worry about unpredictable pay schedules; they can manage their personal budgets without stress, regardless of the weather; and they know they can take care of their families without the uncertainty of unsteady work. The customer also benefits because the installation crew isn't concerned about their personal finances and can focus only on installing the customer's new system. Our company wins because we can retain our great people and offer them an amazing benefit.

### **Health Insurance**

We recently rolled out a new health insurance package that has no deductible, which is a very nice benefit for employees. This is one of those benefits that help eliminate stress. Our employees aren't staring at a huge deductible figure and crossing their fingers, hoping that no one gets sick in their families.

## **Classes and Seminars**

We believe that the people who are going to take the company to the next level will come from within the company, and to that end, we want to give our employees opportunities to learn and grow. We send employees to training and offer several classes here at our facility. For example, I teach a series of classes every other Saturday, called Our Future Series. It's a four-module course on leadership, personal productivity, and business acumen, and it's open to everyone in the company. This is especially popular with employees who typically wouldn't have access to this type of training, like a technician who's out in a truck all day. We have a lot of capable people in our company who might want to become a manager one day or might just want to improve their personal life, and I want to make sure that they have the resources needed to improve and be their best.

## **Tools**

An important benefit for our employees in the field is our tool account program. Our employees in the trades have to have tools to do their jobs, and their tools can be costly for them. Our tool account gives each technician up to \$600 a year to buy tools and other equipment they need for the job. We're proud of this program and consider it one of our best. I've checked around the industry to see if I could find another similar program, and I haven't yet found any that are better than ours are.

## **Birthday Paid Holiday**

This is more of a fun benefit that's definitely an employee favorite. Everybody here gets their birthday off as a paid holiday. Even if the birthday falls on a weekend, they still get a paid holiday off—Friday if the birthday is on a Saturday, Monday if it's on a Sunday. Everyone loves being able to take off work on their birthdays and spend the day with their families.

These are just a few examples of what makes Peterman different. Companies that want to start creating a better work culture can use some of these strategies or develop some of your own based on knowing your employees as people. I think the most important thing to think about is how whatever you're doing will affect your employees' lives both at work and at home.

## **■ Affecting Employees' Lives**

How do we as employers affect people and their lives? I've thought about this question a lot. Our team members are with us for forty hours a week, and the rest of the time, they're raising their kids, getting them through high school and into college, and helping them with difficult situations. It would be wonderful if people could leave work every day and leave every aspect of work behind at the office, but that rarely happens. People usually take the problems, attitudes, stresses, and general feelings of their work home with them, and it affects their families and life at home.

Although our job as a company is to support our employees while they're working, I think a greater purpose is to provide a good workplace environment, one that they love and won't affect them negatively after they leave each day. We don't want our employees to take home a lot of negativity. I'd rather they have careers that make them proud and make them good examples for their children and even their spouses. People who work at Peterman are on fire, even after a tough day. They're excited to get to their kid's baseball game or play a recital, but more importantly, their kids can see that they love what they do—that they love their life.

To me, that's when our impact extends from our employees to many more people: It goes to their families, too, and especially to our customers, whose lives are affected positively through the service we provide. I've heard our employees' spouses say that they're grateful for this place and how much their spouses love what they do. I'm proud that we have that effect on people because if our only impact came from just producing revenue for the company, I'd feel like I'm doing a disservice to those people.

If you love what you do and you love the people working with you, that perspective on life is going to carry over into your personal life. I want to reach people on a level that makes them better parents because working at Peterman is a positive environment that doesn't send them home disgruntled each day. Employees tell me they're excited to talk about their workday when they get home, and their kids know they love their jobs. This is an example of what a company having a larger purpose means. Children who see what a work environment can be might one day say, "Mom and dad loved where they work. I want to find a place where I love to work, and I won't tolerate anything less."

These strategies and programs aren't for companies that believe the sole focus of the business is to serve the leader, or for the owner who looks for every way to trim overhead to create slightly better margins. The Peterman way is to invest in intangible things and spend money on our people's well-being. They also aren't for companies that focus solely on the bottom line or view each employee as just a number whose position is merely a means to an end. There's nothing wrong with a bottom-line focus, and great companies have been built using this method, but it's not our philosophy. We believe that company owners should try to meet and get to know each team member as an individual—a person with unique characteristics and personality, standing in the community, likes and dislikes, and wants and needs. Employees aren't just numbers, and that's what makes the Peterman philosophy compelling.